

**THE APPLICATION OF GOODRICH PETROLEUM COMPANY TO CONSIDER
PERMANENT FIELD RULES FOR THE BECKVILLE (COTTON VALLEY) FIELD,
PANOLA AND RUSK COUNTIES, TEXAS**

Heard by: Donna K. Chandler on July 11, 2007

Appearances:

Greg Cloud

Representing:

Goodrich Petroleum Company

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Goodrich Petroleum Company requests that permanent field rules be adopted for the Beckville (Cotton Valley) Field. The proposed rules are summarized as follows:

1. Designation of the field as the correlative interval from 8,850 feet to 10,300 feet as shown on the log of the Ben Brooks No. 1-D (API No. 365-35875);
2. 330' - 660' well spacing;
3. 40 acre gas units with 10% tolerance; optional 20 acre units with a maximum diagonal of 2,100 feet; no filing of Form P-15 and plat;
4. Allocation based on 25% per well and 75% deliverability, with continued suspension of the allocation formula.

This application was unopposed and the examiner recommends adoption of the permanent field rules proposed by Goodrich Petroleum Company.

DISCUSSION OF EVIDENCE

The Beckville (Cotton Valley) Field was discovered in May 1974 and is a non-associated gas field with 117 wells on the current proration schedule. The field has always operated under Statewide Rules and is currently AOF status.

Cumulative production from the field is approximately 60 BCF from a total of 126 completions. Goodrich is actively developing the field, having drilled about 25 wells in the past 18 months.

The Cotton Valley has a gross thickness of 1,200-1,400 feet. Goodrich requests that the field be defined as the correlative interval from 8,850 feet to 10,300 feet as shown on the log of the Ben Brooks No. 1-D. This interval includes the entire Cotton Valley.

Typically, operators selectively perforate the Cotton Valley over a gross interval of at least 1,000 feet. However, net perforations are usually only 200-400 feet. Actual net pay is generally less than 300 feet. Goodrich provided drainage calculations for 12 wells in the field which will ultimately drain 20 acres or less. These calculations are based on 8% porosity, 40% water saturation and net pay ranging from 118 feet to 249 feet. Estimated ultimate recoveries range from 475 MMCF to 1,290 MMCF.

Goodrich is requesting that field rules be adopted for the field which provide for optional 20 acre units and 330'-660' well spacing. Goodrich also requests that a two factor allocation formula be adopted for the field based on 75% deliverability and 25% per well. Goodrich does not believe that an acreage factor in the allocation formula is necessary because acreage is not representative of reserves in this lenticular reservoir. The allocation formula is already suspended and Goodrich requests continuation of the AOF status. In addition, Goodrich requests that a provision be included in the field rules which eliminates the necessity to file Form P-15 and plat for each well because acreage is not in the allocation formula.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice at least ten days prior to the date of hearing.
2. The Beckville (Cotton Valley) Field was discovered in May 1974 and is a non-associated gas field with 117 wells on the current proration schedule.
3. The field has always operated under Statewide Rules and is currently AOF status.
4. Adoption of a density rule providing for 40/optional 20 acre units is appropriate for this field.
 - a. For 12 wells in the field studied by Goodrich, net pay ranges from 118 feet to 249 feet.
 - b. For the 12 wells, estimated ultimate recoveries range from 475 MMCF to 1,290 MMCF.
 - c. All 12 wells have calculated drainage areas of 20 acres or less.
5. Well spacing a minimum of 330 feet from lease lines and 660 feet between wells is standard for 20 acre density.

6. The Beckville (Cotton Valley) Field should be defined as the correlative interval from 8,850 feet to 10,300 feet as shown on the log of the Ben Brooks No. 1-D. This interval includes the entire Cotton Valley.
7. An acreage factor in the allocation formula is not necessary because acreage is not representative of reserves in this lenticular reservoir.
8. Allocation based on 25% per well and 75% deliverability is a reasonable method of allocation which will protect the correlative rights of mineral owners in the field and meet statutory requirements .

CONCLUSIONS OF LAW

1. Proper notice of this hearing was issued.
2. All things have been accomplished or have occurred to give the Commission jurisdiction in this matter.
3. Adoption of the proposed field rules for the Beckville (Cotton Valley) Field is necessary to prevent waste, protect correlative rights and promote development of the field.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends adoption of permanent field rules for the Beckville (Cotton Valley) Field as set out in the attached Final Order.

Respectfully submitted,

Donna K. Chandler
Technical Examiner