



# RAILROAD COMMISSION OF TEXAS

## OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 06-0246257

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THE APPLICATION OF DEVON ENERGY PRODUCTION CO., LP TO AMEND THE FIELD RULES FOR THE STOCKMAN (TRAVIS PEAK) FIELD, SHELBY COUNTY, TEXAS

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Heard by: Donna K. Chandler on March 29, 2006

**Appearances:**

Mickey Olmstead  
David Bean  
Ben Wilson

**Representing:**

Devon Energy Production Co., LP

### EXAMINER'S REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Devon Energy Production Co., LP requests that field rules for the Stockman (Travis Peak) Field be amended. The rules currently in effect for the field provide for 660'-1,200' well spacing, 160 gas units with optional 80 acre units, and allocation based 50% acreage and 50% deliverability. These rules were adopted effective October 8, 2002 in Final Order No. 06-0231935. Devon proposes that the spacing rule be amended for the field to provide for a minimum of 467 feet from lease lines and 933 feet between wells. Devon requests that the allocation formula for the field remain suspended.

This application was unopposed and the examiner recommends that the field rules for the Stockman (Travis Peak) Field be amended as proposed by Devon Energy Production Co.

#### DISCUSSION OF EVIDENCE

The Stockman (Travis Peak) Field was discovered in 1976. A total of 41 wells have been completed in the field. There are currently 25 wells producing from the field: 23 gas wells and two oil wells. The oil field operates under Statewide Rules.

For this study, Devon determined reservoir parameters for the Upper Travis Peak and the Lower Travis Peak, which are both included in the Stockman (Travis Peak) Field. The Upper Travis Peak, average porosity is 10.1% and average water saturation is 34.4%. Recoverable reserves are estimated to be 431 MCF/acre-foot. For the Lower Travis Peak,

average porosity is 7.4% and average water saturation is 37.5%. Recoverable reserves for the Lower Travis Peak are estimated to be 233 MCF/acre-foot. Devon calculated drainage areas for five wells in the field, some completed in the Upper Travis Peak and some in the Lower Travis Peak. Ultimate recovery estimates range from 359 MMCF to 1,958 MMCF. Net pay ranges from 20 feet to 125 feet. Calculated drainage areas range from 12 acres to 138 acres.

The gross interval of this field is over 2,000 feet. The Upper and Lower intervals are each about 500 feet thick. There are numerous discontinuous sands in the middle portion of the Travis Peak. Ultimate recoveries and drainage areas will therefore vary significantly.

Well spacing a minimum of 467 feet from lease lines and 933 feet between wells will provide additional flexibility in using existing wellbores for recompletions and commingling with the Cotton Valley, which is being proposed in a separate docket.

#### FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The rules currently in effect for the Stockman (Travis Peak) Field provide for 660'-1,200' well spacing, 160 gas units with optional 80 acre units, and allocation based 50% acreage and 50% deliverability. The allocation formula is suspended. The oil field operates under Statewide Rules.
3. There are currently 25 wells producing from the field: 23 gas wells and two oil wells.
4. Wells in the subject field have varying ultimate recoveries and drainage capabilities.
  - a. For the Upper Travis Peak, recoverable reserves are estimated to be 431 MCF/acre-foot. For the Lower Travis Peak, recoverable reserves are estimated to be 233 MCF/acre-foot.
  - b. For five wells analyzed, ultimate recoveries range from 359 MMCF to 1,958 MMCF and net pay ranges from 20 feet to 125 feet.
  - c. Calculated drainage areas range from 12 acres to 138 acres.
5. Well spacing a minimum of 467 feet from lease lines and 933 feet between wells will provide the additional flexibility in using existing wellbores for recompletions and commingling.

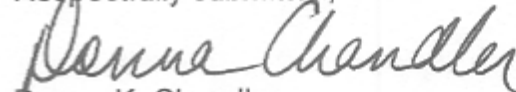
CONCLUSIONS OF LAW

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. Amending the field rules for the Stockman (Travis Peak) 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 that the Commission amend the field rules for the Stockman (Travis Peak) Field as proposed by Devon Energy Production Co.

Respectfully submitted,



Donna K. Chandler  
Technical Examiner