

**OIL AND GAS DOCKET NO. 06-0253691**

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**THE APPLICATION OF NOBLE ENERGY INC. TO AMEND THE FIELD RULES FOR OLIVER CREEK (TRAVIS PEAK) FIELD, SHELBY COUNTY, TEXAS**

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**Heard by:** Donna K. Chandler on October 19, 2007

**Appearances:**

James Bostic  
Jonas Harrell  
Larry Phillips

**Representing:**

Noble Energy Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Field rules for the Oliver Creek (Travis Peak) Field were initially adopted on December 3, 1998 in Docket No. 06-0220396. The rules currently in effect for the field are summarized as follows:

1. Designation of the field as the correlative interval from 7,802 feet to 10,170 feet as shown on the log of the Hilton No. 1;
2. 660'-1,320' well spacing;
3. 640 acre gas units with optional 160 acre units;
4. Allocation based on 100% acreage, with AOF status.

Noble Energy Inc. requests that the field rules be amended as follows:

1. No change;
2. 467'-933' well spacing;
3. 640 acre units with optional 40 acre units;
4. No change.

This application was unopposed and the examiner recommends that the field rules for the Oliver Creek (Travis Peak) Field be amended as proposed by Noble Energy Inc.

**DISCUSSION OF THE EVIDENCE**

The Oliver Creek (Travis Peak) Field was discovered in 1998 at a depth of approximately 8,300 feet. There are currently 11 wells producing from the field, all with deliverabilities of less than 250 MCFD. The field is non-associated with cumulative production of 5.75 BCF of gas.

Noble calculated drainage areas for six wells in the field to demonstrate that 40 acre optional rules are appropriate for the field. Average porosity in the reservoir is 10% and average water saturation is 41%. Net pay for the six wells studied ranges from 47 feet to 201 feet. Estimated ultimate recoveries for the six wells ranges from 181 MMCF to 1,707 MMCF, resulting in calculated drainage areas ranging from 4 acres to 75 acres. For the six wells studied, the average drainage area is 26 acres.

Noble requests that the between-spacing rule be reduced to 933 feet to provide flexibility in developing the field on 40 acres. Noble plans to drill as many as 43 new wells in the field, most of which would require exceptions to Rule 38.

**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 Oliver Creek (Travis Peak) Field was discovered in 1998 at a depth of approximately 8,300 feet. There are 11 producing wells in this non-associated gas field.
3. Field rules for the field provide for a designated interval, 660'-1,320' well spacing, 640 acre units with optional 160 acre units, and allocation based on 100% acreage.
4. The addition of an optional 40 acre density rule is appropriate for the field.
  - a. Noble calculated drainage areas for six wells in the field which range from less than 5 acres to 75 acres.
  - b. Net pay for the six wells studied ranges from 47 feet to over 200 feet and estimated ultimate recoveries for the six wells ranges from 181 MMCF to 1,707 MMCF.

5. Well spacing a minimum of 467 feet from lease lines and 933 feet between wells will provide additional flexibility in developing this field on 40 acre optional units.

**CONCLUSIONS OF LAW**

1. Proper notice of this hearing was given to all persons legally entitled to notice.
2. All things have occurred or been accomplished to give the Railroad Commission jurisdiction in this matter.
3. Amending the field rules for the Oliver Creek (Travis Peak) Field as proposed by Noble Energy Inc. is necessary to prevent waste and protect correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the Field rules for the Oliver Creek (Travis Peak) Field be amended to add an optional 40 acre density rule and amend the spacing rule to 467'-933'.

Respectfully submitted,

Donna K. Chandler  
Technical Hearings Examiner