OIL AND GAS DOCKET NO. 06-0253914

THE APPLICATION OF GOODRICH PETROLEUM COMPANY TO AMEND THE FIELD RULES FOR THE HENDERSON, E. (COTTON VALLEY) FIELD, RUSK COUNTY, TEXAS

Heard by: Donna K. Chandler on November 1, 2007

Appearances:	**Representing:**
Rick Johnston	Goodrich Petroleum Company

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field rules for the Henderson, E. (Cotton Valley) Field were adopted in Final Order No. 06-0240561, effective December 21, 2004. The rules in effect for the field are summarized as follows:

1. Designation of the field as the correlative interval from 9,600 feet to 11,000 feet as shown on the log of the Taliaferro No. 1;

2. 467' - 933' well spacing with 40 acre drilling units;

3. Allocation based on 95 percent deliverability and 5 percent per well.

Goodrich requests that the rules be amended to provide for 467'-660' well spacing and optional 20 acre density. Goodrich also requests that the allocation formula in the field remain suspended.

This application was unprotested and the examiner recommends that the field rules be amended as proposed by Goodrich.

DISCUSSION OF EVIDENCE

The Henderson, E. (Cotton Valley) Field was discovered in 1980. There was no additional development in the field until 2001. There are now 117 wells carried on the proration schedule. The field is classified as non-associated and is AOF status.

Cumulative production from the field is almost 20 BCF BCF of gas.

The field is currently governed by Statewide Rules which provide for 40 acre drilling units. Goodrich calculated drainage areas for eight recent wells in the field. Log analysis indicates average porosity of 13.3 percent and average water saturation of 26 percent. Net pay ranges from 20 feet from 138 feet for the eight wells studied. Estimated ultimate recoveries range from 81 MMCF to over 600 MMCF. The calculated drainage areas range from 6 acres to 35 acres for the eight wells, with an average of 18 acres per well. On this basis, Goodrich believes that 40 acre/optional 20 acre density is appropriate for the field.

Well spacing a minimum of 467 feet from lease lines and 660 feet between wells will provide additional flexibility in locating future wells. The nearby Beckville (Cotton Valley) Field operates under rules which provide for 40 acre/optional 20 acre density and 467'-660' well spacing.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.

2. The Henderson, E. (Cotton Valley) Field was discovered in 1980, but no other wells were drilled in the field until 2001.

3. The Henderson, E. (Cotton Valley) Field is classified as non-associated and the allocation formula is currently suspended. There are 117 wells completed in the field which have produced almost 20 BCF of gas.

4. A density rule providing for 40 acres/optional 20 acres is necessary to adequately develop the field.

    a. Goodrich studied eight recent wells in the field. These wells have net pay ranging from 20 feet to 138 feet.

    b. Estimated ultimate recoveries range from 81 MMCF to over 600 MMCF.

    c. The calculated drainage areas for the eight wells range from 6 acres to 35 acres for the eight wells, with an average of 18 acres per well.

5. Well spacing a minimum of 467 feet from lease lines and 933 feet between wells will provide the additional flexibility needed to develop this field in an area which has numerous surface issues.

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 Henderson, E. (Cotton Valley) Field as proposed by Goodrich Petroleum Company 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 field rules for the Henderson, E. (Cotton Valley) Field be amended as proposed by Goodrich Petroleum Company.

Respectfully submitted,

Donna K. Chandler
Technical Examiner