

**OIL AND GAS DOCKET NO. 06-0255788**

---

**THE APPLICATION OF CORDILLERA TEXAS, L.P. TO AMEND THE FIELD RULES FOR THE SOUTHERN PINE (TRAVIS PEAK) FIELD, CHEROKEE COUNTY, TEXAS**

---

**Heard by:** Donna K. Chandler on March 24, 2008

**Appearances:**

Greg Cloud

**Representing:**

Cordillera Texas, L.P.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Field rules for the Southern Pine (Travis Peak) Field were originally adopted on July 16, 1979 in Docket No. 6-73,074. The rules were amended in 1984 and 1991. The rules in effect for the field are summarized as follows:

1. 660'-1,320' well spacing;
2. 640 acre gas units with optional 160 acre units;
3. Allocation based on 75% acreage and 25% deliverability, with AOF status.

Cordillera Texas, L.P. requests that the field rules be amended as follows:

1. Designation of the field as the correlative interval from 9,862 feet to 11,000 feet as shown on the log of the Little G.U. #1 Well No. 4;
2. 467'-1,200' well spacing;
3. 640 acre units with optional 80 acre units;
4. No change in allocation formula.

This application was unopposed and the examiner recommends that the field rules for the Southern Pine (Travis Peak) Field be amended as proposed by Cordillera

### DISCUSSION OF THE EVIDENCE

The Southern Pine (Travis Peak) Field was discovered in 1979 at a depth of approximately 11,000 feet. There are currently 28 wells producing from the field. Chesapeake Operating, Inc. has four wells and Cordillera operates the remaining well. Cordillera plans to drill additional wells to develop the field.

The field is non-associated with cumulative production of over 35 BCF of gas. Current deliverabilities for wells in the field are all less than 700 MCFD and most wells produce less than 100 MCFD.

Cordillera calculated drainage areas for 29 wells. Average porosity ranges from 10-14% and average water saturation ranges from 19-36%. Net pay varies significantly from 34 feet to almost 200 feet. Cumulative recoveries range from less than 100 MMCF to 4,327 MMCF. Estimated ultimate recoveries based on decline curve analyses range from less than 100 MMCF to 5,716 MMCF. Calculated drainage areas range from less than 10 acres to over 200 acres. Many wells will drain 80 acres or less.

Cordillera also requests that a correlative interval be defined for the field. Cordillera suggests that the field be defined as the correlative interval from 9,862 feet to 11,000 feet as shown on the log of the Little G.U. #1 Well No. 4. This interval includes the entire Travis Peak section. The interval contains numerous individual sands which are not in communication and the current allocation formula based on 75% acreage and 25% deliverability meets statutory requirements.

### 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 Southern Pine (Travis Peak) Field was discovered in 1979 at a depth of approximately 11,000 feet. There are 28 producing wells in this non-associated gas field.
3. Field rules for the field provide for 660'-1,320' well spacing, 640/optional 160 acre units, and allocation based on 75% acreage and 25% deliverability. The allocation formula is currently suspended.
4. A density rule providing for optional 80 acre units is appropriate for the field.
  - a. For 29 wells studied, average porosity ranges from 10-14%.
  - b. For 29 wells studied, net pay varies significantly from 34 feet to almost 200 feet.

- c. Estimated ultimate recoveries based on decline curve analyses for the 29 wells range from less than 100 MMCF to 5,716 MMCF.
  - d. Calculated drainage areas for the 29 wells range from less than 10 acres to over 200 acres.
  - e. Many wells will drain 80 acres or less.
5. The Southern Pine (Travis Peak) Field should be designated as the correlative interval from 9,862 feet to 11,000 feet as shown on the log of the Little G.U. #1 Well No. 4. This interval includes the entire Travis Peak and consists of numerous lenticular sands.

#### **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 Southern Pine (Travis Peak) Field as proposed by Cordillera Texas, L.P. 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 Southern Pine (Travis Peak) Field be amended to designate a correlative interval for the field, adopt a 467'-1,200' spacing rule and adopt a density rule of 640/optional 80 acres.

Respectfully submitted,

Donna K. Chandler  
Technical Hearings Examiner