

THE APPLICATION OF COG OPERATING LLC TO ADOPT FIELD RULES FOR THE DAVIS (PENNSYLVANIAN) FIELD, UPTON COUNTY, TEXAS

Heard by: Donna K. Chandler on December 10, 2010

Appearances:

Greg Cloud

Representing:

COG Operating LLC

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

COG Operating LLC requests that the following field rules be adopted for the Davis (Pennsylvanian) Field:

1. Designation of the field as the correlative interval from 10,606 feet to 11,408 feet as shown on the log of the Ross No. 4802;
2. Allocation based on 95% deliverability/potential and 5% per well.

This application was unopposed and the examiner recommends that field rules for the Davis (Pennsylvanian) Field be adopted as proposed by COG Operating LLC.

DISCUSSION OF THE EVIDENCE

The Davis (Pennsylvanian) Field was discovered in 1952 at a depth of approximately 10,300 feet. The field operates under Statewide Rules. There are two producing wells in the field, one oil well and one gas well. Both wells are marginal.

COG has several wells permitted in the field and plans to eventually downhole commingle Davis (Pennsylvanian) Field production with shallower Spraberry (Trend Area) Field production. There are numerous Spraberry (Trend Area) Field wells throughout the area.

The proposed designated interval for the field is from 10,606 feet to 11,408 feet as shown on the log of the Ross No. 4802. This interval includes the Strawn and Bend, both of which are Pennsylvanian age rock. Over the years, there have been wells completed in both formations and placed in the Davis (Pennsylvanian) Field. Both formations are tight limestones with low porosity of approximately 5%. Both zones require fracture stimulation to economically produce and therefore the two zones are more easily completed simultaneously.

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It is necessary to consolidate the Strawn and Bend to increase recovery from the field. COG estimates that an additional 12,500 BO can be recovered per well as a result of a combined economic limit.

COG requests that allocation in the field be based on 95% potential/deliverability and 5% per well. This two factor allocation formula 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 Davis (Pennsylvanian) Field was discovered in 1952 at a depth of approximately 10,300 feet. The field operates under Statewide Rules.
3. The subject field is an associated field with one producing oil well and one producing gas well, both of which are marginal.
4. The Davis (Pennsylvanian) Field should be designated as the correlative interval from 10,606 feet to 11,408 feet as shown on the log of the Ross No. 4802. This interval includes the Strawn and Bend, both of which are Pennsylvanian age rock.
 - a. Wells in the Davis (Pennsylvanian) Field have been completed in both the Strawn and Bend over the years.
 - b. Both the Strawn and Bend are tight limestones with low porosity which require fracture stimulation to economically produce.
5. Allocation be based on 95% potential/deliverability and 5% per well will meet statutory requirements.

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. Adopting field rules for the Davis (Pennsylvanian) Field is necessary to prevent waste and protect correlative rights.

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EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiner recommends that field rules for the Davis (Pennsylvanian) Field be adopted as proposed by COG Operating.

Respectfully submitted,

Donna K. Chandler
Technical Examiner