

OIL AND GAS DOCKET NO. 06-0255792

THE APPLICATION OF FOREST OIL CORPORATION TO AMEND THE FIELD RULES FOR THE WOODLAWN (COTTON VALLEY) FIELD, HARRISON COUNTY, TEXAS

Heard by: Donna K. Chandler on April 2, 2008

Appearances:

Rick Johnston

David Gross

Representing:

Forest Oil Corporation

Comstock Oil & Gas LP

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field rules for the Woodlawn (Cotton Valley) Field were originally adopted on September 6, 1977 in Docket No. 6-67,498. The rules were amended several times, with the last amendment in 2007. The rules in effect for the field are summarized as follows:

1. Designation of the field as the correlative interval from 8,370 feet to 9,980 feet as shown on the log of the Slaughter Gas Unit "B" Well No. 2;
2. 467'-1,000' well spacing;
3. 640 acre gas units with optional 80 acre units;
4. Allocation based on 5% per well and 95% deliverability, with AOF status.

Forest Oil Corporation requests that the field rules be amended to provide for 600 feet between vertical/vertical and horizontal/horizontal wells and to eliminate the between-well spacing requirement between a horizontal well and a vertical well.

This application was unopposed and the examiner recommends that the field rules for the Woodlawn (Cotton Valley) Field be amended as proposed by Forest.

DISCUSSION OF THE EVIDENCE

The Woodlawn (Cotton Valley) Field was discovered in 1965 at a depth of approximately 9,600 feet. There are currently 175 wells producing from this non-associated gas field.

Forest is proposing to drill horizontal wells in the Woodlawn (Cotton Valley) Field to recover additional hydrocarbons not recovered by vertical wells. In order to design an optimum fracture stimulation procedure for the horizontal completion, Forest will first drill a vertical well on a pad site. The vertical well will be logged and fracture stimulated. Tests will be performed on the vertical well to better calibrate and design a fracture stimulation procedure for the horizontal well. The drilling rig will then be skidded 20 to 50 feet from the vertical well to drill the horizontal well on the same pad site. Forest will fracture stimulate the horizontal well based on the vertical well's test results. Forest requests elimination of the between-well requirement between vertical and horizontal wells to accommodate the proposed completion procedure. This will allow both the horizontal and vertical wells to be produced without requiring a Rule 37 exception.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Woodlawn (Cotton Valley) Field was discovered in 1965 and is a non-associated gas field with 175 wells. The field is AOF.
3. Forest Oil Corporation plans to drill vertical wells for evaluation of appropriate stimulation techniques to be used in completion of new horizontal wells which will be drilled at surface locations only 20-50 feet away.
4. Elimination of a between well spacing requirement between vertical and horizontal wells will allow operators to optimize fracture stimulation design and allow production of vertical and horizontal wells in close proximity.
5. Amending the between well spacing requirement between vertical/vertical and horizontal/horizontal wells will provide additional flexibility in further development of the field. The proposed spacing is common for Cotton Valley fields in the area.

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 Rule 2 of the field rules for the Woodlawn (Cotton Valley) Field as proposed by Forest Oil Corporation 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 Woodlawn (Cotton Valley) Field be amended as proposed by Forest Oil Corporation.

Respectfully submitted,

Donna K. Chandler
Technical Hearings Examiner