

RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0308425

APPLICATION OF CONOCOPHILLIPS COMPANY TO AMEND FIELD RULES FOR THE FORD, WEST (WOLFCAMP) FIELD, CULBERSON, LOVING AND REEVES COUNTIES, TEXAS

HEARD BY: Robert Musick - Technical Hearings Examiner
Jennifer N. Cook - Administrative Law Judge

HEARING DATE: March 23, 2018

CONFERENCE DATE: June 5, 2018

APPEARANCES:

REPRESENTING:

APPLICANT

Jamie Nielson
Krystin Robinson

ConocoPhillips Company

EXAMINERS' REPORT AND REGOMMENDATION

STATEMENT OF THE CASE

ConocoPhillips Company ("ConocoPhillips") seeks to amend the current oil and gas field rules in effect for the Ford, West (Wolfcamp) Field, ("Field"), Culberson, Loving and Reeves Counties, Texas. ConocoPhillips requests to modify the minimum distance for the first and last take points to any property line, lease line or subdivision line from the current 200 feet to 100 feet. Also, Field Rule 3a was changed to reference Form P-16 instead of Form P-15. ConocoPhillips has demonstrated that the requested lease line or subdivision line spacing amendment will increase recovery and prevent waste.

Proper notice was given, the application was not protested, and no protesting party appeared at the hearing or responded to a May 4, 2018 letter titled, "Supplement to Notice of Hearing and Opportunity to Object". The Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend that the amended Field rule be granted as requested by ConocoPhillips.

DISCUSSION OF THE EVIDENCE

The Field (No. 31913800) is in Culberson, Loving and Reeves Counties, Texas and formed through a Final Order under Oil & Gas Docket No. 08-0269098, adopted on March 24, 2011. The last changes to the Field rules were established by Oil & Gas Docket No. 08-0308665, adopted March 20, 2018, which amended the between-well spacing; Oil & Gas Docket No. 01-0299858, adopted on May 12, 2016, which designated the Field as an Unconventional Fracture Treated ("UFT") field; and, Oil & Gas Docket No. 08-0297138, adopted on January 12, 2016, which modified the Field rules to include language for horizontal wells.

A Notice of Hearing was issued by the Commission on February 21, 2018 to all parties entitled to notice at least ten days prior to the date of the hearing. A hearing was held on March 23, 2018.

ConocoPhillips requested to modify Rule 2 of the current Field rules. Specifically, the proposal is to reduce the minimum distance for the first and last take points for horizontal drainhole wells to any property line, lease line or subdivision line from the current 200 feet to 100 feet. ConocoPhillips' testimony in the hearing estimates the additional potential recovery over the lifetime of a well is equivalent to about 46,500 barrels of oil. The requested rule change will increase recovery of resources and prevent waste. The Examiners recommend granting the application.

FINDINGS OF FACT

1. Notice of this hearing was given to all parties entitled to notice at least ten days prior to the date of the hearing and no protests were received.
2. The Field (No. 31913800) is in Culberson, Loving and Reeves Counties, Texas and was formed through a Final Order under Docket No. 08-0269098, adopted on March 24, 2011.
3. The entire correlative interval is from 8,230 feet to 10,637 feet, as shown on the log of the Devon Energy Production Company, LP – Sebring 60-1-47, Well No. 1 (API No. 42-109-32367), Section 47, Block 60, T-1-S, T&P RR Co Survey, A-2818, Culberson County, shall be designated as a single reservoir for proration purposes and be designated as the Ford, West (Wolfcamp) Field.
4. The current Field rules were established by Oil & Gas Docket No. 08-0308665, adopted March 20, 2018, which amended the between-well spacing; Oil & Gas Docket No. 01-0299858, adopted on May 12, 2016, which designated the Field as an Unconventional Fracture Treated (“UFT”) field to promote the removal of oil and gas reserves; and, Oil & Gas Docket No. 08-0297138, adopted on January 12, 2016, which modified the Field's rules to include language for horizontal wells.
5. In the hearing held on March 23, 2018, ConocoPhillips requested to reduce the minimum distance for the first and last take points for horizontal drainhole wells to any property line, lease line or subdivision line from the current 200 feet to 100 feet.
6. Post-hearing request by Commission's technical staff (“Staff”) requested that Field Rule 3a be change to reference Form P-16 instead of Form P-15. ConocoPhillips concurred.
7. On May 4, 2018, a” Supplement to Notice of Hearing and Opportunity to Object” was sent to the Service List and given 10 days to protest the supplemental amendment to the Field Rule. No protesting party protested the requested supplemental amendment.
8. The amendment to the Field rules will increase recovery and prevent waste.
9. At the hearing, ConocoPhillips agreed on the record that the Final Order in this case is to be final and effective when the Master Order relating to the Final Order is signed.

CONCLUSIONS OF LAW

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code § 81.051.
2. All notice requirements have been satisfied. 16 Tex. Admin. Code § 1.42.

3. The requested amendment to the Field's rules will prevent waste.
4. Pursuant to § 2001.144 (a)(4)(A) of the Texas Government Code and the agreement of the applicant, this Final Order is final and effective when a Master Order relating to the Final Order is presented at Commission conference and signed by the Commissioners.

EXAMINER'S RECOMMENDATION

Based on the above findings of facts and conclusions of law, the Examiners recommend the Commission enter an order granting the application of ConocoPhillips Company to amend the Field rules for the Ford, West (Wolfcamp) Field, Culberson, Loving and Reeves Counties, Texas.

Respectfully submitted,



Robert Musick
Technical Hearings Examiner



Jennifer N. Cook
Administrative Law Judge