

August 28, 2007

**OIL AND GAS DOCKET NO. 06-0252237**

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**APPLICATION OF GOODRICH PETROLEUM COMPANY TO CONSIDER A BLANKET EXCEPTION TO STATEWIDE RULE 10 FOR ALL CURRENT AND FUTURE WELLS OPERATED BY GOODRICH PETROLEUM COMPANY IN THE BECKVILLE (COTTON VALLEY) AND BECKVILLE (TRAVIS PEAK) FIELDS, RUSK AND PANOLA COUNTIES, TEXAS**

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**HEARD BY:** Andres J. Trevino, P.E.

**DATE OF HEARING:** July 12, 2007

**APPEARANCES:**

Dale E. Miller

**REPRESENTING:**

Goodrich Petroleum Company

**EXAMINER'S REPORT AND RECOMMENDATION**  
**STATEMENT OF THE CASE**

Goodrich Petroleum Company requests exceptions to Statewide Rule 10 for all wells presently or ever completed on leases it operates in the Beckville (Cotton Valley) and Beckville (Travis Peak) Field. Goodrich requests to place all gas wells commingled in the Beckville (Cotton Valley) Field and oil wells be placed in the Beckville (Travis Peak) Field for proration purposes. It is also proposed that the authority be granted to any successors of the subject operator. The examiner recommends approval of the requested Rule 10 authority.

**DISCUSSION OF THE EVIDENCE**

The Beckville (Travis Peak) Field was discovered in 1979. There are 13 active wells in the consolidated field (oil and gas wells) and cumulative productive from the field is 6.4 BCF of gas and 23,339 BO. The Travis Peak is found in Goodrich Petroleum's G.W. Brook's Well No. 3 from 6,840 feet to 8,820 feet. The gas field is currently AOF.

The Beckville (Cotton Valley) Field was discovered in 1974. There are 118 wells in the field and cumulative production from the field is 53 BCF of gas. The Cotton Valley is found in Goodrich Petroleum's G.W. Brook's Well No. 3 from 8,820 feet to 10,190 feet. The field is non-associated and AOF status.

Most of the recent development has been in the Cotton Valley. Most of the Travis Peak intervals are depleted and operators generally add Travis Peak perforations after the Cotton Valley has depleted to 200-300 MCFD. There have been six Rule 10 exceptions granted for the Beckville (Cotton Valley) and Beckville (Travis Peak) Fields in the area in 2007.

No fluid compatibility problems have occurred in previously commingled wells. Goodrich submitted a water analysis for the Cotton Valley/Travis Peak which indicates very little scaling tendencies. Any cross-flow which may occur will therefore not cause reservoir damage. Goodrich does not expect any cross-flow to occur because the zones will not be commingled until the Cotton Valley zone pressure is depleted sufficiently to match the Travis Peak zone.

Goodrich estimates that incremental reserves as a result of commingling are 700 MMCF of gas per well. This is a result of a lower combined economic limit.

It is requests that the commingled wellbores that may be classified as gas be assigned to the Beckville (Cotton Valley) Field for proration purposes and wells that may be classified as oil be assigned to the Beckville (Travis Peak) Field for proration purposes. The Beckville (Cotton Valley) Field in classified as Non-Associated and the Beckville (Travis Peak) Field is classified as Associated-Prorated. Designating the oil wells to the Beckville (Travis Peak) will insure against the possibility of the Beckville (Cotton Valley) Field being subject to Statewide Rule 49-b allowables.

#### **FINDINGS OF FACT**

1. Notice of this hearing was issued to all operators in the Beckville (Cotton Valley) and Beckville (Travis Peak) Fields.
2. The Beckville (Travis Peak) Field was discovered in 1979. The Beckville (Cotton Valley) Field was discovered in 1974.
3. There are 118 wells in the Beckville (Cotton Valley) Field and 13 wells in the Beckville (Travis Peak) Field. Both fields are AOF.
4. Downhole commingling of the Cotton Valley and Travis Peak is common in this area. Numerous Rule 10 exceptions have been approved by the Commission in various fields in the past two years. Six Rule 10 exceptions have been approved for the Beckville (Cotton Valley) Field and the Beckville (Travis Peak) Field.
5. Cross-flow between the fields is not expected because wells will not be commingled until pressures are equalized. No fluid compatibility problems have been observed in previously commingled wells and water analysis indicates very little scaling tendencies.
6. Downhole commingling production from these fields will prevent waste because separate completions in the Travis Peak are generally not economic any more.
7. Incremental recovery as a result of commingling is estimated to be 700 MMCF per well.

**CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable codes and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Approval of the requested Rule 10 exceptions for all wells on leases operated by Goodrich Petroleum Company in the Beckville (Cotton Valley) and Beckville (Travis Peak) Fields will prevent waste and will not harm correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends approval of the requested Rule 10 exceptions for all wells on leases operated by Goodrich Petroleum Company in the Beckville (Cotton Valley) and Beckville (Travis Peak) Fields, as specified in the attached order.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Examiner  
Office of General Counsel