

July 27, 2007

**OIL AND GAS DOCKET NO. 06-0252362**

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**APPLICATION OF CABOT OIL & GAS CORPORATION AND GOODRICH PETROLEUM COMPANY TO AMEND THE BLANKET EXCEPTION TO STATEWIDE RULE 10 GRANTED TO EACH COMPANY FOR ALL WELLS OPERATED IN THE MINDEN (COTTON VALLEY CONS.) AND MINDEN (TRAVIS PEAK CONS.) FIELDS, RUSK AND PANOLA COUNTIES, TEXAS**

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**HEARD BY:** Thomas H. Richter, P.E.

**DATE OF HEARING:** July 24, 2007

**APPEARANCES:**

Dale E. Miller

**REPRESENTING:**

Cabot Oil & Gas Corp and Goodrich Petroleum Company

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

Cabot Oil & Gas Corp and Goodrich Petroleum Company request amending previously granted blanket downhole commingling authorities for all wells presently or ever completed on leases it operates in the Minden (Cotton Valley Cons.) and Minden (Travis Peak Cons.) Field. It is specifically requested to place all gas wells in the Minden (Cotton Valley Cons.) Field and oil wells in the Minden (Travis Peak Cons.) Field. It is also proposed that the authority be granted to any successors of the subject operators. The examiner recommends approval of amending the authority for down hole commingling.

**DISCUSSION OF THE EVIDENCE**

The Travis Peak in this area has been developed since the 1950's. In March 2006, the Commission approved consolidation of 62 fields into the Minden (Travis Peak Cons.) Field in Docket No. 06-0245877. There are 136 active wells in the consolidated field (oil and gas wells) and cumulative productive from all fields consolidated is 182 BCF of gas and 8 million BO. The gas field is currently AOF.

Similarly, the Commission approved consolidation of nine fields into the Minden (Cotton Valley Cons.) Field in September 2005 in Docket No. 06-0243684. There are 370 wells in the consolidated field and cumulative production from all fields consolidated is 71 BCF of gas. 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. In September 2006, Cabot Oil & Gas Corp., pursuant to

Commission Order 06-0250626 and Goodrich Petroleum in May 2007 pursuant to Commission Order No. 06-0250843 were granted blanket Rule 10 downhole commingling authority for all leases/wells that are currently operated or will operate in the future in the subject fields.

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

### **FINDINGS OF FACT**

1. Notice of this hearing was issued to all operators in the Minden (Travis Peak Cons.) and Minden (Cotton Valley Cons.) Fields.
2. The Minden (Travis Peak Cons.) Field was formed in 2006 as a result of consolidating 62 fields. The Minden (Cotton Valley Cons.) Field was formed in 2005 as a result of consolidating nine fields.
3. There are 136 wells in the Minden (Travis Peak Cons.) Field and 370 wells in the Minden (Cotton Valley Cons.) Field. Both fields are AOF.
4. In September 2006, Cabot Oil & Gas Corp., pursuant to Commission Order 06-0250626 and Goodrich Petroleum in May 2007 pursuant to Commission Order No. 06-0250843 were granted blanket Rule 10 downhole commingling authority for all leases/wells that are currently operated or will operate in the future in the subject fields.
5. The commingled wellbores that may be classified as gas should be assigned to the Minden (Cotton Valley Cons.) Field for proration purposes and wells that may be classified as oil be assigned to the Minden (Travis Peak Cons.) Field for proration purposes.
  - a. The Cotton Valley Consolidated Field in classified as Non-Associated and the Travis Peak Consolidated Field is classified as Associated-Prorated.
  - b. Designating the oil wells to the Travis Peak will insure against the possibility of the Cotton Valley Cons. Field being subject to Statewide Rule 49-b allowables.

### **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 amended orders of Cabot Oil & Gas Corporation and Goodrich Petroleum Company for Rule 10 exceptions for all wells on leases operated by them or their successors in the Minden (Travis Peak Cons.) and Minden (Cotton Valley Cons.) 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 proposed amended orders for the proper assignment of oil and gas wells in the Minden (Travis Peak Cons.) and Minden (Cotton Valley Cons.) Fields, as specified in the attached order.

Respectfully submitted,

Thomas H. Richter, P.E.  
Technical Examiner  
Office of General Counsel