

OIL AND GAS DOCKET NO. 01-0263788

THE APPLICATION OF LEWIS PETRO PROPERTIES, INC. TO CONSOLIDATE THE ACORN (EAGLEFORD), BIG REEF (EAGLEFORD) AND INTREPID FIELDS INTO THE HAWKVILLE (EAGLEFORD SHALE) FIELD, LASALLE, MCMULLEN AND WEBB COUNTIES, TEXAS

HEARD BY: Richard D. Atkins, P.E. - Technical Examiner

DATE OF HEARING: January 14, 2010

APPEARANCES:

REPRESENTING:

APPLICANT:

Keith B. Masters

Lewis Petro Properties, Inc.

OBSERVERS:

Michael E. McElroy

Enduring Resources, LLC

Rick Johnston

Petrohawk Operating Company

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Lewis Petro Properties, Inc. ("Lewis") requests that the Acorn (Eagleford), Big Reef (Eagleford) and Intrepid Fields be consolidated into the Hawkville (Eagleford Shale) Field. The fields proposed for consolidation are as follows:

<u>FIELD NAME</u>	<u>FIELD NUMBER</u>
Acorn (Eagleford)	00517 500
Big Reef (Eagleford)	08015 080
Intrepid	44636 500

Lewis requests no changes to the field rules for the Hawkville (Eagleford Shale) Field, Field ID No. 39744 500.

This application was unopposed and the examiner recommends approval of the requested field consolidation.

DISCUSSION OF THE EVIDENCE

The Hawkville (Eagleford Shale) Field was discovered in October 2008 at an average depth of 11,100 feet. The field is a non-associated gas field and there are seven producing wells carried on the current proration schedule. The designated interval for the field is from 11,050 feet to 11,290 feet as shown on the log of the Petrohawk Operating Company - STS Lease, Well No. 1 (API No. 42-283-32144). The field rules provide for 330'-660' well spacing, 320 acre density, special provisions for take points and the assignment of additional acreage in horizontal drainholes and allocation based on 90% deliverability and 10% acres. The field is AOF status.

The Acorn (Eagleford) Field was discovered in August 2009 at an average depth of 11,000 feet. The field is a non-associated gas field and there is one producing well carried on the current proration schedule. The field operates under Statewide Rules.

The Big Reef (Eagleford) Field was discovered in August 2002 at an average depth of 9,000 feet. The field is a non-associated gas field and there are one producing and two shut-in wells carried on the current proration schedule. The field operates under Statewide Rules with AOF status.

The Intrepid Field was discovered in November 2008 at an average depth of 9,500 feet. The field is a non-associated gas field and there is one producing well carried on the current proration schedule. The designated interval for the field is from 9,510 feet TVD to 9,798 feet TVD as shown on the log of the EOG Resources, Inc. - Tully C. Garner Lease, Well No. 97H (API No. 42-479-40172). The field rules provide for 467'-0' well spacing, 40 acre density, special provisions for take points in horizontal drainholes and allocation based on 95% deliverability and 5% per well. The field is AOF status.

To date, the fields have "grown together" and field designations overlap. Wells in the fields produce from the same correlative interval which is the Eagleford Shale Formation.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and there were no protests.
2. The Hawkville (Eagleford Shale) Field was discovered in October 2008 at an average depth of 11,100 feet. The field rules provide for 330'-660' well spacing, 320 acre density, special provisions for take points and the assignment of additional acreage in horizontal drainholes and allocation based on 90% deliverability and 10% acres.
3. The designated interval for the Hawkville (Eagleford Shale) Field is from 11,050 feet to 11,290 feet as shown on the log of the Petrohawk Operating Company - STS Lease, Well No. 1 (API No. 42-283-32144).

4. The Acorn (Eagleford) Field was discovered in August 2009 at an average depth of 11,000 feet. The field operates under Statewide Rules.
5. The Big Reef (Eagleford) Field was discovered in August 2002 at an average depth of 9,000 feet. The field operates under Statewide Rules.
6. The Intrepid Field was discovered in November 2008 at an average depth of 9,500 feet. The field rules provide for 467'-0' well spacing, 40 acre density, special provisions for take points in horizontal drainholes and allocation based on 95% deliverability and 5% per well.
7. The designated interval for the Intrepid Field is from 9,510 feet TVD to 9,798 feet TVD as shown on the log of the EOG Resources, Inc. - Tully C. Garner Lease, Well No. 97H (API No. 42-479-40172).
8. To date, the fields have "grown together" and field designations overlap. Wells in the fields produce from the same correlative interval which is the Eagleford Shale Formation.

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. Consolidation of the fields as proposed by Lewis Petro Properties, Inc. is necessary to prevent waste and protect correlative rights.

EXAMINER'S RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiner recommends that the Acorn (Eagleford), Big Reef (Eagleford) and Intrepid Fields be consolidated into the Hawkville (Eagleford Shale) Field and that no changes be made to the field rules for the Hawkville (Eagleford Shale) Field.

Respectfully submitted,

Richard D. Atkins, P.E.
Technical Hearings Examiner