



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 06-0285735

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THE APPLICATION OF FOREST OIL CORPORATION TO CONSOLIDATE THE WILLOW SPRINGS (COTTON VALLEY, W) FIELD INTO THE WILLOW SPRINGS (COTTON VALLEY) FIELD AND TO AMEND THE FIELD RULES FOR THE WILLOW SPRINGS (COTTON VALLEY) FIELD, GREGG COUNTY, TEXAS

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HEARD BY: Paul Dubois – Technical Examiner  
Laura Miles-Valdez – Hearing Examiner

HEARING DATE: December 17, 2013

APPEARANCES: Rick Johnston  
REPRESENTING: Forest Oil Corporation

### EXAMINER'S REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

This is the application of Forest Oil Corporation (Forest) to consolidate the Willow Springs (Cotton Valley, W) field into the Willow Springs (Cotton Valley) Field and to amend the field rules for the Willow Springs (Cotton Valley) Field, Gregg County, Texas. The requested field rule amendment is to expand the correlative interval to fully include both fields; no spacing, density or other changes are requested. The application is not protested. The examiners recommend approval of the field consolidation and amending the field rules for the consolidated field.

#### DISCUSSION OF THE EVIDENCE

The Willow Springs (Cotton Valley) Field and the Willow Springs (Cotton Valley, West) Field are located in Gregg county, Texas. Wells in the Willow Springs (Cotton Valley) Field are generally to the south of those in the Willow Springs (Cotton Valley, W) Field, but the fields have been developed such that they have grown together, and wells from both fields are now interspersed in a common area. Forest is seeking to consolidate the two fields to promote the orderly development of the resources in the consolidated Field. The western boundary of current field development is constrained by the East Texas

Field, in which much of the shallow acreage is held by production.

The Willow Springs (Cotton Valley) Field was discovered in 1975. Field rules were established in 1979 (Docket No. 6-71,717) and have since been amended several times, most recently in September 2008 (Docket No. 06-0258438). It is a non-associated gas field with a 100% absolute open flow (AOF) allowable and a correlative interval from 8,962 feet to 10,530 feet. The current field rules provide for 467 feet lease line spacing, 600 feet between well spacing, 160 acre standard units and 40 acre optional units. Forest stated that these are common spacing and density provisions for many Cotton Valley fields. There are 115 active wells on the December 2013 proration schedule for this field. The field has produced more than 105 BCF gas and 176 MB condensate.

The Willow Springs (Cotton Valley, W) Field was discovered in 1976. Field rules were established in 1993 (Docket No. 06-0201824) and have since been amended several times, most recently in April 2010 (Docket No. 06-0264914). It is a non-associated gas field with a 100% absolute open flow (AOF) allowable and a correlative interval from 10,330 feet to 10,690 feet. The current field rules provide for 467 feet lease line spacing, 600 feet between well spacing, 160 acre standard units and 80 acre optional units. There are 199 active wells on the December 2013 proration schedule for this field. The field has produced more than 271 BCF gas and 2,122 MB condensate. Consolidating this field into the Willow Springs (Cotton Valley) Field will take advantage of the smaller optional unit size of the latter field.

In consolidating the fields, Forest proposes to establish a correlative interval of 8,962 feet to 10,598 as shown on the log of the EP Operating WSGU 10, Well No. 7 (Walke No. 4)(API No. 42-183-31098). This is the well and log used to establish the correlative interval for the Willow Springs (Cotton Valley) Field in 1995 (Docket No. 06-0208330), although a typographical error in that Final Order misrepresented the well number (as No. 10); Well No. 7 is correct. The current correlative interval for the Willow Springs (Cotton Valley) Field contains all but about 80 feet of the base of the Willow Springs (Cotton Valley, W) Field. The proposed interval extends from the base of the West Field to the top of the Willow Springs (Cotton Valley) Field. Forest also requests that wells be transferred to Willow Springs (Cotton Valley) Field without the need for a drilling permit. Consolidating these fields will assist with the orderly development of the field area.

#### **FINDINGS OF FACT**

1. Notice of this hearing was sent to all persons legally entitled to notice at least ten days prior to the date of hearing.
2. The Willow Springs (Cotton Valley) Field was discovered in 1975.
  - a. The current field rules provide for 467 feet lease line spacing, 600 feet

- between well spacing, 160 acre standard units and 40 acre optional units.
- b. There are 115 active wells on the December 2013 proration schedule for this field.
  - c. The field has produced more than 105 BCF gas and 176 MB condensate.
3. The Willow Springs (Cotton Valley, W) Field was discovered in 1976.
- a. The current field rules provide for 467 feet lease line spacing, 600 feet between well spacing, 160 acre standard units and 80 acre optional units.
  - b. There are 199 active wells on the December 2013 proration schedule for this field.
  - c. The field has produced more than 271 BCF gas and 2,122 MB condensate.
4. The fields have 'grown together' by development over time
5. Consolidating the Willow Springs (Cotton Valley, W) Field into the Willow Springs (Cotton Valley) Field will take advantage of the smaller optional unit size of the latter field.
6. A correlative interval of 8,962 feet to 10,598 as shown on the log of the EP Operating WSGU 10, Well No. 7 (Walke No. 4)(API No. 42-183-31098) will extend from the base of the West Field to the top of the Willow Springs (Cotton Valley) Field.

**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 Forest Oil Corporation will prevent waste and protect correlative rights.

4. The proposed field rules will prevent waste, protect correlative rights, and satisfy statutory requirements.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiners recommend that the Willow Springs (Cotton Valley, W) field be consolidated into the Willow Springs (Cotton Valley) Field, that the requested field rule amendments for the consolidated field be approved, and that drilling permits not be required for the transfer of wells as a result of the consolidation.

Respectfully submitted,



Paul Dubois  
Technical Examiner



Laura Miles-Valdez  
Hearing Examiner