



# RAILROAD COMMISSION OF TEXAS

## OFFICE OF GENERAL COUNSEL

**OIL AND GAS DOCKET NO. 08-0273314**

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**THE APPLICATION OF DEVON ENERGY PROD CO L.P. TO AMEND FIELD RULES  
FOR THE FORD, WEST (WOLFCAMP) FIELD, CULBERSON COUNTY, TEXAS**

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**HEARD BY:** Brian K. Fancher - Technical Examiner  
James Doherty - Legal Examiner

**HEARING DATE:** January 06, 2012

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Olga Kobzar  
John Soule  
Jason Currie  
David Rader

Devon Energy Production Co., LP

**INTERVENOR:**

Michael E. McElroy

Cimarex Energy Co.

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Field Rules for the Ford, West (Wolfcamp) Field were originally adopted on a temporary basis in Final Order No. 08-0269098, effective March 22, 2011, as amended by Order 08-0271003, effective August 23, 2011. The Temporary Field Rules for the field are currently in effect until September 22, 2012, or until Commission evaluation, and are summarized as follows:

1. Designation of the field as the correlative interval from 9,556 feet to 9,945 feet as shown on the log of the Cimarex Energy Co. - Owl Draw 12 Unit, Well No. 1H;
2. 467'-933' well spacing with special provisions for off-lease penetration points, "take points", and 100 foot "overlapping" laterals in horizontal wells;

3. 320 acre gas units with a special formula for the assignment of acreage to horizontal wells;
4. Allocation based on 75% acres and 25% per well.

Devon Energy Production Co, L.P. ("Devon") requests that Temporary Field Rule No. 1 be amended as follows:

1. Designation of the field as the correlative interval from 8,230 feet to 10,637.2 feet, as shown on the log for the Devon Energy Production Company, L.P., Sebring 60-1-47, Well No. 1 (API No. 42-109-32367);

The Notice of Hearing dated December 02, 2011 for the subject application indicated Devon initially sought to expand the current designated correlative interval for the subject field to include the interval from 9,000 feet to 10,250 feet, as shown on the log of the Cimarex Energy Co. - Owl Draw 12 Unit, Well No. 1H (API No. 42-109-32339).

By correspondence dated December 21, 2011, counsel on behalf of Devon requested its amended correlative interval for the subject field, as initially requested in the Notice of Hearing, be amended further to include the interval from 8,230 feet to 10,637.2 feet, as shown on the log for the Devon Energy Production Company, L.P., Sebring 60-1-47, Well No. 1 (API No. 42-109-32367).

By letter dated January 06, 2012, the Commission provided notice to all affected parties that Devon's initially proposed amendment to the current designated correlative interval for the subject application had been amended further and included a newly proposed correlative interval. Furthermore, the letter provided that any protest to the applicant's amended request be submitted to the Commission no later than 10 days from the date of the letter.

The application was unopposed and the examiners recommend that Temporary Field Rule No. 1 for the Ford, West (Wolfcamp) Field be amended, as proposed by Devon.

### **DISCUSSION OF THE EVIDENCE**

The Ford, West (Wolfcamp) Field was discovered in November 2010 and is classified as a non-associated gas field. Temporary Field Rules currently in effect provide for a designated interval, 467'-933' well spacing with special provisions for horizontal wells, 320 acre gas units with a special formula for the assignment of additional acreage to horizontal wells, and allocation based on 75% acres and 25% per well. The December 2011 Gas Proration Schedule lists Cimarex Energy Co. as the only operator in the field with four wells. Representatives of Devon testified that although it is not listed on the current gas proration schedule, Devon has drilled and completed wells in the subject field. Cumulative production from the field through February 2012 is reported at 3.21 BCFG and 78.7 MBC.

Devon submitted a stratigraphic column depicting the relative geologic age of formations deposited from the Devonian Period to the Quaternary Period in the area that includes the subject field. The Wolfcamp formation has been determined to be Permian-aged strata, bound by sands located in the Bone Springs formation above the Wolfcamp, and Pennsylvanian-aged, transgressive/regressive sequences of sandstone and shale in the Cisco/Canyon formations below.

In support of its application, Devon submitted a structural map that incorporated the top of the Wolfcamp formation and a structural map of the top of the Cisco/Canyon-Penn Shale formations. These maps depict the horizontal planes at the top and the base of the Wolfcamp formation are continuous and uninterrupted by faulting.

Representatives on behalf of Devon testified it seeks to include the entire Wolfcamp formation into the Ford, West (Wolfcamp) Field so that the entire Wolfcamp formation may be developed under uniform field rules. The current designated interval for the field includes the correlative interval from 9,556 feet to 9,945 feet, as shown on the log of the Cimarex Energy Co., Owl Draw Unit, Well No. 1H.

At the hearing, Devon submitted a copy of the Examiner's Report and Recommendation for Oil and Gas Docket No. 08-0269098. More specifically, Devon identified the following excerpt in the Discussion of Evidence section of the aforementioned document:

...The proposed correlative interval for the field is from 9,556 feet to 9,945 feet, as shown on the log of the Owl Draw 12 Unit, Well No. 1H. This interval includes the entire Wolfcamp formation...

The expert geologist on behalf of Devon testified the Ford, West (Wolfcamp) Field's current designated correlative interval does not include the entire Wolfcamp formation, only a portion within the entire section. Moreover, the witness testified that the applicant's amended, proposed, designated interval for the subject field, which includes the correlative interval from 8,230 feet to 10,637.2 feet as shown on the log for the Devon Energy Production Company, L.P., Sebring 60-1-47, Well No. 1 (API No. 42-109-32367), incorporates the entire Wolfcamp formation. Devon testified the nearest Wolfcamp production to the Ford, West (Wolfcamp) Field, applicable to Commission rules and regulations, is located approximately five miles south to the location of the Devon, Sebring 60-1-47 Lease, Well No. 1.

Representatives of Devon testified it believes the current designated correlative interval for the Ford, West (Wolfcamp) Field should be expanded, as Devon ultimately proposed. Representatives of the applicant testified that the overall economic limit for the subject field will be increased, due to the compartmentalization of production within the entire Wolfcamp formation. Furthermore, Devon testified it does not anticipate to encounter any cross-flow in differential pressures within the Wolfcamp and that the fluid types are expected to be the same, therefore limiting the occurrence of scale.

**FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Ford, West (Wolfcamp) Field was discovered in November 2010 and is classified as a non-associated gas field.
3. The Temporary Field Rules currently in effect for the Ford, West (Wolfcamp) Field include a designated interval, 467'-933' well spacing with special provisions for horizontal wells, 320 acre gas units with a special formula for the assignment of acreage to horizontal wells, and allocation based on 75% acres and 25% per well.
4. The field is currently defined as the correlative interval from 9,556 feet to 9,945 feet, as shown on the log of the Cimarex Energy Co., Owl Draw Unit, Well No. 1H. This interval includes a portion of the Wolfcamp formation.
5. To include the entire Wolfcamp formation, the Ford, West, (Wolfcamp) Field should be designated as the correlative interval from 8,230 feet to 10,637.2 feet as shown on the log for the Devon Energy Production Company, L.P., Sebring 60-1-47, Well No. 1 (API No. 42-109-32367).
6. Expansion of the correlative interval for the field will not cause waste because the interval includes zones which all have similar reservoir and fluid properties.

**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. Amending Field Rule No. 1 for the Ford, West (Wolfcamp) Field will prevent waste, protect correlative rights, and promote further development of the field.

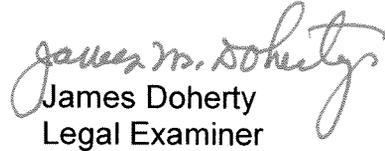
**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiners recommend amending Field Rule No. 1 for the Ford, West (Wolfcamp) Field, as ultimately requested by Devon Energy Production Co., L.P.

Respectfully submitted,



Brian K. Fancher  
Technical Examiner



James Doherty  
Legal Examiner