



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 06-0290369**

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**THE APPLICATION OF WILDHORSE RESOURCES MNGT CO, LLC TO AMEND FIELD RULES FOR THE BRACHFIELD, S. E. (COTTON VALLEY) FIELD, RUSK AND PANOLA COUNTIES, TEXAS**

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**Heard by:** Paul Dubois – Technical Examiner  
Laura Miles-Valdez – Hearings Examiner

**Date of Hearing:** August 19, 2008

**Appearances:**

George Neale  
Rick Johnston

**Representing:**

Wildhorse Resources Mngt Co., LLC

### EXAMINER'S REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Wildhorse Resources Mngt. Co. LLC ("Wildhorse") requests the field rules for the Brachfield, S. E. (Cotton Valley) Field in Rusk and Panola Counties be amended. The matter was originally docketed and noticed with the Brachfield, S. E. (Cotton Valley) Field being located in Rusk County. However, the field is also developed into Panola County to the east. Wildhorse's current development is in the Panola County portion of the field. Wildhorse seeks to align the field rules with those of the neighboring Carthage (Cotton Valley) Field. Specifically, Wildhorse requests (1) the between well spacing limitation be reduced from 660 feet to 330 feet, (2) adoption of a standard suite of horizontal field rules to facilitate field development with horizontal wells, and (3) amending requirements for documenting acreage allocation among wells. The application was not protested. The examiners recommend the field rules be approved as requested by Wildhorse.

#### DISCUSSION OF EVIDENCE

The Brachfield, S. E. (Cotton Valley) Field was discovered in 1981 at a depth of 9,958 feet. The field is a non-associated gas field, and the August 2014, proration schedule carries 251 wells. Wildhorse currently operates four (4) wells in the field. The allocation formula is

currently suspended, and Wildhorse requests that the allocation formula remain suspended. Permanent field rules were adopted on November 6, 2007 (Docket No. 06-0253302) and amended on November 12, 2008 (Docket No. 06-0258879). The current field rules are summarized as follows:

1. The field correlative interval is from 8,630 feet to 10,510 feet based on the log of the Burks No. 1 well (API No. 42-401-34011);
2. 330 feet lease line and 660 feet between well spacing, with no minimum spacing requirement between vertical and horizontal wells;
3. 40 acre standard drilling and proration units with 20 acre optional units; and
4. Allocation formula based on 25 percent per well and 75 percent G-10 test.

When the Brachfield, S. E. (Cotton Valley) Field was discovered in 1981, the nearest production from the same Cotton Valley interval was in the Carthage (Cotton Valley) Field, about 4.5 miles to the northeast. Since 1981 the Brachfield, S. E. (Cotton Valley) Field has produced about 1.375 million barrels of condensate and 149 billion cubic feet of gas. On a monthly basis, the field is currently producing about 5,700 barrels of condensate and 700 million cubic feet of gas. The Brachfield, S. E. and Carthage (Cotton Valley) Fields have grown together in places. The Carthage, S. (Cotton Valley) Field is also developed in the area.

Most of the field development to date has been with vertical wells (all of Wildhorse's wells are vertical). However, several operators have begun to drill horizontal wells in the field. Wildhorse has permitted three horizontal wells in the field. Decline curve analyses for three existing horizontal wells (located about 12 miles west of Wildhorse's acreage) in the field projects cumulative per well production of 2 to 3 billion cubic feet of gas and 9 to 18 thousand barrels of condensate.

The horizontal provisions sought by Wildhorse are commonly adopted for fields undergoing development with horizontal wells. Similar rules have been adopted for the neighboring Carthage (Cotton Valley) Field. These provisions include take points, no perforation zones, off-lease penetration points and a 50-foot box rule. Adoption of these rules will prevent waste and promote the orderly development of the field.

#### **FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Brachfield, S. E. (Cotton Valley) Field was discovered in 1981 at a depth of 9,958 feet. The field is a non-associated gas field, and the August 2014,

proration schedule carries 251 wells. Wildhorse currently operates four (4) wells in the field.

3. Since 1981 the Brachfield, S. E. (Cotton Valley) Field has produced about 1.375 million barrels of condensate and 149 billion cubic feet of gas.
4. On a monthly basis, the field is currently producing about 5,700 barrels of condensate and 700 million cubic feet of gas.
5. Decline curve analyses for three existing horizontal wells in the field projects cumulative per well production of 2 to 3 billion cubic feet of gas and 9 to 18 thousand barrels of condensate.
6. Wildhorse has permitted three horizontal wells in the field.
7. Wildhorse seeks to align the field rules with those of the neighboring Carthage (Cotton Valley) Field.
8. The horizontal provisions sought by Wildhorse are commonly adopted for fields undergoing development with horizontal wells. Adoption of these rules will prevent waste and promote the orderly development of the field.

**CONCLUSIONS OF LAW**

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code § 81.051
2. All notice requirements have been satisfied. 16 Tex. Admin. Code § 1.45
3. Adoption of the proposed field rule amendments s will prevent waste and promote the orderly development of the field.

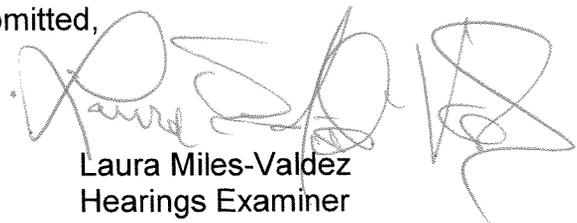
**RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiner recommends that the Commission amend the field rules for the Brachfield, S. E. (Cotton Valley) Field and the allocation formula remain suspended as proposed by Wildhorse Resources Mngt Co, LLC.

Respectfully submitted,



Paul Dubois  
Technical Examiner



Laura Miles-Valdez  
Hearings Examiner