



RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 02-0244422

THE APPLICATION OF BRIGHAM OIL & GAS, L.P. TO CONSIDER NEW FIELD DESIGNATION AND FIELD RULES FOR THE (PROPOSED) APPLING DEEP (FRIO) FIELD, JACKSON COUNTY, TEXAS

Heard by: Donna K. Chandler on April 19, 2006

Appearances:

George Neale
Dick Schmidt

Representing:

Brigham Oil & Gas, L.P.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Brigham Oil & Gas, L.P. requests that a new field designation called the Appling Deep (Frio) Field be approved for its Appling No. 1. Devon also requests that the following rules be adopted for the Appling Deep (Frio) Field:

1. Designation of the field as the correlative interval from 9,690 feet to 10,310 feet as shown on the log of the Appling No. 1;
2. Allocation based on 95% deliverability and 5% per well.

There were no protests to this application and the examiner recommends approval of the new field designation and field rules.

This application had originally been protested by Charlie and Teresa Lucher, royalty owners in the Sartwelle No. 3 well. After a prehearing conference on November 2, 2005, the protest was withdrawn and the hearing was re-opened on April 19, 2006.

DISCUSSION OF EVIDENCE

Brigham Oil & Gas L.P. completed its Appling No. 1 in July 2005 with perforations between 9,699 and 9,703 feet. The well had been tested at several other intervals between 9,846 and 10,905 feet. These deeper perforations are isolated beneath a cast

iron bridge plug at 9,740 feet. On initial test, the well produced at a rate of 892 MCFD. Brigham also completed its Sartwelle No. 3 within the proposed correlative interval for the Appling Deep (Frio) Field, but this well produced only 23 MMCF of gas and is awaiting plugging.

The new field designation should be approved for the Appling No. 1. There is no comparable production within a 2 ½ mile radius of the Appling No. 1, except for the Sartwelle No. 3. Additionally, the Appling No. 1 encountered virgin pressure of 5,381 psi.

Devon requests that the entire correlative interval between 9,690 and 10,310 feet in the Appling No. 1 be considered a single field. This interval includes several separate sand members. Combining the intervals will result in the recovery of additional gas from the individual sands which would otherwise not be produced due to the marginal reserves.

State statutes require that a two factor allocation formula be adopted for the proposed field designation to be considered a single field. Brigham requests that allocation be based on 95% deliverability and 5% per well for the field.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice at least ten days prior to the date of hearing.
2. Brigham Oil & Gas L.P. completed its Appling No. 1 July 2005 with perforations between 9,699 and 9,703 feet. Deeper perforations in the Frio were tested but are isolated below a bridge plug.
3. The Appling No. 1 is entitled to a new field designation.
 - a. There is no comparable production within a 2 ½ mile radius of the subject well, except for Brigham's Sartwelle No. 3. This No. 3 well was tested in several intervals within the proposed new field designation and produced only a marginal amount of gas.
 - b. The Appling No. 1 encountered virgin bottomhole pressure of 5,381 psi.
4. The entire correlative interval from 9,690 to 10,310 feet as shown on the log of the Appling No. 1 should be designated as the Appling Deep (Frio) Field.
5. Allocation based on 95% deliverability and 5% per well will protect correlative rights and meets statutory requirements for combining multiple productive zones into a single field.

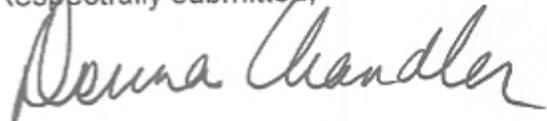
CONCLUSIONS OF LAW

1. Proper notice of this hearing was issued.
2. All things have been accomplished or have occurred to give the Commission jurisdiction in this matter.
3. Approval of the requested new field designation and adoption of field rules will prevent waste, protect correlative rights and promote the orderly development of the field.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends approval of the new field designation and adoption of field rules for the Appling Deep (Frio) Field.

Respectfully submitted,



Donna K. Chandler
Technical Examiner