

**OIL AND GAS DOCKET NO. 04-0252833**

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**THE APPLICATION OF PETROHAWK OPERATING COMPANY TO EXPAND THE CORRELATIVE INTERVAL FOR THE CD NABORS (VICKSBURG) FIELD, STARR COUNTY, TEXAS**

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**Heard by:** Donna K. Chandler on August 31, 2007

**Appearances:**

Carey Holtzendorf  
David Klatt  
Bob Tierney  
Robert Berteau

**Representing:**

Petrohawk Operating Company

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Petrohawk Operating Company requests that the correlative interval for the CD Nabors (Vicksburg) Field be expanded to include additional productive sands. Petrohawk proposes that the field be defined as the correlative interval between 8,825 feet and 10,515 feet as shown on the log of the Cleopatra Well No. 5.

This application was unopposed and the examiner recommends approval of Petrohawk's request to expand the correlative interval for the field.

**DISCUSSION OF THE EVIDENCE**

The CD Nabors (Vicksburg) Field was discovered in November 2000 upon completion of the Cleopatra No. 1. In Docket No. 04-0230219, the Commission signed a Final Order on February 5, 2002, adopting a correlative interval for the field and allocation based on 95% deliverability and 5% per well. The allocation formula is currently suspended.

The field is currently defined as the correlative interval from 8,850 feet to 9,860 feet as shown on the log of the Cleopatra No. 1. This interval includes the Vicksburg 14 thru 18 sands. Petrohawk proposes addition of the Vicksburg 19 thru 21 sands to the field interval. The initial wells in the field had not been drilled deep enough to encounter all of these deeper sands.

Nine wells have been completed in the field, all operated by Petrohawk except the Heard No. 1 which is operated by Metano Energy, LP. Four of the wells were completed in 2007.

All of the Vicksburg sands within the proposed designated interval are geo-pressured, with gradients ranging from 0.7 to 0.9 psi/foot. With the expanded field interval, additional gas will be recovered as a result of commingling the deeper Vicksburg sands. The combined economic limit of each wellbore can be lowered by eliminating the cost of separate completions in each zone. Gas produced from the individual sands have similar fluid properties and no cross-flow is anticipated.

The field already has a two factor allocation formula and Petrohawk requests no change in the formula. The allocation formula is currently suspended and Petrohawk requests continuation of the AOF status.

#### **FINDINGS OF FACT**

1. Notice of this hearing was given to all operators of wells in the CD Nabors (Vicksburg) Field at least ten days prior to the date of hearing.
2. The CD Nabors (Vicksburg) Field was discovered in 2000. The interval for the field is from 8,850 feet to 9,860 feet as shown on the log of the Cleopatra No. 1. This interval includes the Vicksburg 14 thru 18 sands.
3. Expansion of the correlative interval for the field to include the Vicksburg 19 thru 21 sands will maximize ultimate recovery by lowering the economic limit of the combined zones. Some zones would not be economic to produce as separate completions.
4. Expansion of the correlative interval for the field will not cause waste because the interval includes only geo-pressured Vicksburg sands which have similar reservoir and fluid properties.
5. The CD Nabors (Vicksburg) Field should be designated as the correlative interval from 8,825 feet and 10,515 feet as shown on the log of the Cleopatra No. 5. This interval includes the Vicksburg 14 thru 21 sands.
6. The allocation formula for the field is currently based on 95% deliverability and 5% per well and the field is AOF status.

#### **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. Expansion of the designated interval for the CD Nabors (Vicksburg) Field as proposed by Petrohawk Resources, Inc. is necessary to prevent waste and protect correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the field interval for the CD Nabors (Vicksburg) Field be expanded as proposed by Petrohawk Operating Company.

Respectfully submitted,

Donna K. Chandler  
Technical Hearings Examiner