

**OIL AND GAS DOCKET NO. 06-0254698**

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**THE APPLICATION OF ENCANA OIL & GAS (USA) INC. TO CONSIDER NEW FIELD DESIGNATION AND FIELD RULES FOR THE (PROPOSED) RAINTREE (PETTIT) FIELD, ANGELINA COUNTY, TEXAS**

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**Heard by:** Andres J. Trevino, P.E. on January 10, 2008

**Appearances:**

Rick Johnston

**Representing:**

EnCana Oil & Gas (USA) Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

EnCana Oil & Gas (USA) Inc. requests that a new field designation called the Raintree (Pettit) Field be approved for its Mims Gas Unit Well No. 1. EnCana requests that the Pollock (Pettit) Field (ID No. 72229 500) (no wells) be consolidated into the Raintree (Pettit) Field. EnCana also requests that the following rules be adopted for the Raintree (Pettit) Field:

1. Designation of the field as the correlative interval from 9,791 feet and 10,452 feet as shown on the log of the Mims Gas Unit Well 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.

**DISCUSSION OF EVIDENCE**

EnCana Oil & Gas (USA) Inc. completed its Mims Gas Unit Well No. 1 in July 2006 in the Raintree (Hosston) Field. The well was recompleted in May 2007 as a dually completed well in the Hosston and Pettit formations. The well has one set of perforations in the Pettit Sand between 10,034 feet and 10,047 feet. On initial test, the recompleted well produced at a rate of 1,223 MCFD, 0 BCPD and 0 BWPD. Flowing tubing pressure is 715 psi with a shut-in wellhead pressure of 5,283 psia.

The new field designation should be approved for the Mims Gas Unit Well No. 1. There is no comparable production within a 2½ mile radius of the well. The Mims Gas Unit Well No. 1 encountered virgin pressure of 6,541 psia. During the research in the area the Pollock (Pettit) Field was found to have the same interval as the proposed Raintree (Pettit) Field. This field was discovered in 1953 with the completion of the E. McKnight No. 1. The well had a initial potential of 790 MCFD, however it was plugged and abandoned 16 months later as the well was determined to be non-commercial. There have been no other wells in that field since then. EnCana has plans to drill other wells into this field. EnCana requests that the Pollock (Pettit) field be consolidated into the Raintree (Pettit) field and that Pollock (Pettit) Field be flagged to prevent future wells from being placed into the Pollock (Pettit) Field.

EnCana requests that the entire correlative interval between 9,791 feet and 10,452 feet in the Mims Gas Unit Well No. 1 be considered a single field. This interval includes numerous lenticular sands within the Pettit sand which may be productive in future wells completed in the Pettit. Separate completions in the intervals would not be commercial.

State statutes require that a two factor allocation formula be adopted for the proposed field designation to be considered a single field. EnCana 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. EnCana Oil & Gas (USA) Inc. recompleted its Mims Gas Unit Well No. 1 in May 2007 as a dually completed well with one set of perforations in the Pettit from 10,034 feet and 10,047 feet. On initial test, the well produced at a rate of 1,223 MCFD, 0 BCPD and 0 BWPD.
3. The Mims Gas Unit Well No. 1 is entitled to a new field designation because there is no comparable production within a 2½ mile radius of the subject well.
4. The entire correlative interval from 9,791 feet and 10,452 feet as shown on the Computer Processed Log of the Mims Gas Unit Well No. 1 should be designated as the Raintree (Pettit) 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 Raintree (Pettit) Field.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Examiner