

**OIL AND GAS DOCKET NO. 04-0252574**

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**THE APPLICATION OF BOPCO, L.P. TO EXPAND THE CORRELATIVE INTERVAL FOR THE PATITOS (VX Q) FIELD, ADOPT A TWO FACTOR ALLOCATION FORMULA, AND CHANGE THE FIELD NAME TO THE PATITOS (VX CONS) FIELD, BROOKS COUNTY, TEXAS**

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**Heard by:** Andres J. Trevino, P.E. on July 25, 2007

**Appearances:**

John F. Miller

**Representing:**

BOPCO, L.P.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

BOPCO requests that the correlative interval for the Patitos (Vx Q) Field be expanded to include additional productive sands. BOPCO proposes that the field be defined as the correlative interval between 10,805 feet and 13,623 feet as shown on the log of the El Coyote Ranch No. 1. BOPCO also requests that the field name be changed to Patitos (Vx Cons) Field.

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

**DISCUSSION OF THE EVIDENCE**

The Patitos (Vx Q) Field was discovered in December 2005 upon completion of the El Coyote Ranch No. 1. The approved field interval is from 11,816 feet to 12,200 feet as shown on the log of the discovery well. The field operates under Statewide Rules.

The July 2007 proration schedule indicates one active well in the field. BOPCO operates the only well in the field. BOPCO has recently completed two wells in the field which are not yet on the proration schedule. Cumulative production from the field is approximately 1.233 BCF of gas and 56,374 BC.

BOPCO requests that the current field designation be expanded to include additional Wildcat intervals and that the new field be designated as the Patitos (Vx Cons) Field. The current interval includes the Q Vicksburg sand. BOPCO proposes adding the F, F-1, P, R, S, and T Vicksburg sands to the field interval. These sands were found to be productive in wells currently being completed after fracture stimulation was performed.

BOPCO estimates that the additional gas recovered as a result of commingling each additional Vicksburg sand member will encourage additional drilling in the field. The wells cost six million dollars to drill, complete and fracture stimulate and have steep production decline curves. The combined economic limit of each wellbore can be lowered by eliminating the cost of separate completions in each zone. Additionally, some zones would not be economic to produce as separate completions. All of the sands within the proposed correlative interval are Vicksburg sands with similar reservoir and fluid properties.

Because the proposed designated intervals contains multiple sands, a two factor allocation formula is required by statute. BOPCO proposes that allocation be based on 95 percent deliverability and 5 percent per well.

#### **FINDINGS OF FACT**

1. Notice of this hearing was given to all operators of wells in the Patitos (Vx Q) Field at least ten days prior to the date of hearing.
2. The Patitos (Vx Q) Field was discovered in 2005. The interval for the field is from 11,816 feet to 12,200 as shown on the log of the El Coyote Ranch No. 1. This interval includes the Vicksburg Q sands.
3. Expansion of the correlative interval for the field to include the F, F-1, P, R, S, and T Vicksburg 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 Vicksburg sands which have similar reservoir and fluid properties.
5. The Patitos (Vx Cons) Field should be designated as the correlative interval from 10,805 feet to 13,623 feet as shown on the log of the El Coyote Ranch No. 1. This interval includes the current interval for the Patitos (Vx Q) Field and the F, F-1, P, R, S, and T Vicksburg sands.
6. Allocation based on 95 percent deliverability and 5 percent per well is a reasonable allocation formula which satisfies statutory requirements.

**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. Consolidation of the proposed field interval and field rules as proposed by BOPCO, L.P. is necessary to prevent waste and protect correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the Patitos (Vx Q) Field be consolidated into a new field called the Patitos (Vx Cons) Field and the new field be defined as the correlative interval from 10,805 feet to 13,623 feet as shown on the log of the El Coyote Ranch No. 1. It is further recommended that allowable be based on 95 percent deliverability and 5 percent per well in the new field.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Hearings Examiner