

**OIL AND GAS DOCKET NO. 04-0254357**

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**THE APPLICATION OF ROSETTA RESOURCES OPERATING LP. TO CONSOLIDATE VARIOUS BECCERO CREEK FIELDS AND WILCAT FORMATIONS INTO THE (PROPOSED) BECCERO CREEK (LOBO CONS.) FIELD AND TO CONSIDER FIELD RULES FOR THE (PROPOSED) BECCERO CREEK (LOBO CONS.) FIELD, WEBB COUNTY, TEXAS**

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**Heard by:** Andres J, Trevino, P.E. on December 11, 2007

**Appearances:**

Dale E. Miller

**Representing:**

Rosetta Resources Operating LP.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Rosetta Resources Operating LP. requests that four Beccero Creek Fields be consolidated into a new field to be known as the Beccero Creek (Lobo Cons.) Field. The fields proposed for consolidation are as follows:

Beccero Creek (Lobo 1) Field	06585 250
Beccero Creek (Lobo 2) Field	06585 300
Beccero Creek (Lobo 6) Field	06585 450
Beccero Creek (Wilcox, Lo.) Field	06585 500

Rosetta requests that the following rules be adopted for the consolidated field:

1. Designated interval from 7,290 feet to 8,600 feet as shown on the log of the Mobile Exploration and Producing U.S. Inc., South Callaghan Ranch No. 102;
2. Well spacing a minimum of 150 feet from lease lines with no between-well spacing limitation;
3. 40 acre drilling units, 10% tolerance and optional 20 acre units, no filing of Form P-15 and plat be required;

4. Allocation based 5% per well and 95% deliverability and allocation formula to remain suspended;

Rosetta requests any existing Wildcat formation producing within the designated interval be consolidated into the proposed field. This application was unopposed and the examiner recommends approval of Rosetta's request for field consolidation and field rules.

### **DISCUSSION OF THE EVIDENCE**

The four fields which are the subject of this hearing were discovered beginning in 1978. The fields include Lobo and Wilcox sands which are in the late stage of depletion. All four fields are non-associated gas fields and all operate under Statewide Rules.

There are a total of 142 wells listed on the proration schedules for the various fields with about 92 actively producing completions, the remainder of the completions are shut-in, temporarily abandoned or partially plugged. A total of 142 wellbores with 237 completions have been completed in the fields and cumulative production from the fields is about 152.6 BCF of gas. The fields produced in June 2007, 948.0 MMCF gas per month or an average of 343 MCFPD per well. Rosetta estimates there are an additional 32.8 BCF of gas remaining. Rosetta plans to drill an additional 40 wells in the field and perform multiple workovers and recompletions.

Rosetta requests that the consolidated field be designated as the interval from 7,290 feet to 8,600 feet as shown on the log of the Mobile Exploration and Producing U.S.A. Inc., South Callaghan Ranch No. 102. Consolidation of the various sands into a single field will result in the recovery of additional reserves which would otherwise be uneconomic by producing multiple reservoirs simultaneously.

Rosetta will drill additional wells within the depleted reservoirs targeting the various sands within the consolidated interval. The sands are tight and highly faulted within the area. Rosetta believes many fault blocks still exist that have not been drained. Eliminating the between-well spacing requirement will provide opportunities for infill drilling without the need for Rule 37 exceptions.

Rosetta requests a density rule of 40 acres with an optional 20 acres for the consolidated field due to the small average drainage pattern. Currently all fields have 40 acre statewide density. Drainage calculations performed based on an average porosity of 19.5%, water saturation of 61.9% and net pay thickness of 77 feet, demonstrated that the average well will drain 18 acres. Individual well drainage ranged from 616 acres to as little as 0.1 acres, this is due to the nature of the tight, faulted sandstones.

The proposed consolidated field will consist of numerous sands. A two factor allocation formula based on 95% deliverability and 5% per well is requested for the consolidated field to meet statutory requirements.

Rosetta requests to eliminate the requirement to file Form P-15 and plats as there will be no between well spacing and acreage is not part of the allocation formula.

**FINDINGS OF FACT**

1. Notice of this hearing was sent to all persons legally entitled to notice at least ten days prior to the date of hearing.
2. The subject fields proposed for consolidation were discovered beginning in 1978. All of the fields are non-associated gas fields and there are 142 producing wells in the fields at this time.
3. The four fields produce from Lobo and Wilcox sands which are faulted, fine grained, of low permeability and in the late stages of depletion.
4. All of the fields operate under Statewide Rules.
5. Consolidation of the fields will not harm any of the reservoirs because of the similar reservoir and fluid properties as many of the zones are currently being commingled.
6. Consolidation of the fields will result in the recovery of additional reserves from the various fields as a result of a lower combined economic limit.
7. The Beccero Creek (Lobo Cons.) Field should be designated as the correlative interval from 7,290 feet to 8,600 feet as shown on the log of the Mobile Exploration and Producing U.S.A. Inc., South Callaghan Ranch No. 102.
8. The proposed 150'0' well spacing rule for the consolidated field will provide flexibility in drilling infill wells for completion in the various undrained, faulted Lobo and Wilcox sands without the need for Rule 37 exceptions.
9. A density rule providing for 40 acre density with optional 20 acres is appropriate for the consolidated field as drainage calculations demonstrate the average well will only drain 18 acres.
10. Allocation based 5% per well and 95% on deliverability will protect correlative rights and satisfy statutory requirements.
11. All fields are currently producing at 100% AOF.

**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 fields as proposed by Rosetta Resources Operating LP. is necessary to prevent waste and protect correlative rights.
4. The proposed field rules will prevent waste, protect correlative rights, and satisfy statutory requirements.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the four subject fields be consolidated into a new field to be known as the Beccero Creek (Lobo Cons.) Field and that the requested field rules be adopted for the consolidated field.

Respectfully submitted,

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