



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 03-0295770**

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**THE APPLICATION OF SAMSON EXPLORATION, LLC FOR A NEW FIELD DESIGNATION FOR THE PROPOSED ORA (13400 SAND) IN THE MCGOWN FARMS GU NO. 1, CHAMBERS COUNTY, TEXAS**

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**HEARD BY:** Paul Dubois – Technical Examiner  
John Dodson – Hearings Examiner

**HEARING DATE:** April 2, 2015

**CONFERENCE DATE:** April 28, 2015

**APPEARANCES:**

Jim Clark, P.E.

**REPRESENTING:**

Samson Exploration, LLC

### EXAMINER'S REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Samson Exploration, LLC (Samson) requests that a new field designation called the Ora (13,400 Sand) Field, ID No. 67475 500, be approved for its McGown Farms GU, Well No. 1 in Chambers County, Texas. Samson proposes that the following Field Rules be adopted for the new field:

1. Designation of the field as the correlative interval from 13,400 feet to 13,680 feet as shown on the well log of the McGown Farms GU, Well No. 1 (API No. 42-071-32524), sidetrack no. 1, T&NO RR Co/S.A. Spencer Survey, Section 76, Abstract No. 550, Chambers County, Texas;
2. Two-factor allocation formula based on 95% deliverability and 5% per well.

The application is not protested and the examiners recommend approval of the new field designation and adoption of Field Rules for the Ora (13,400 Sand) Field, as proposed by Samson.

**DISCUSSION OF EVIDENCE**

Samson completed its McGown Farms GU, Well No. 1, on December 1, 2014, with perforations in a wildcat field in the Lower Vicksburg formation from 13,620 feet to 13,626 feet. The well is located about 0.85 miles southwest of Stowell. On initial test the gas well produced at a absolute open flow rate of 24,981 thousand cubic feet of gas per day (MCFGPD) and gas-liquid hydrocarbon ratio of 5,735 cubic feet per barrel. The initial bottom hole pressure was 12,184 pounds per square inch. The dry gas gravity was 0.682, and the condensate gravity was 39.3° API. Samson has since completed a second well in this zone.

About 60 wells have been drilled within a 2.5 mile radius. Of these, 10 were drilled to at least 13,400 feet, but all 10 of these wells were completed to produce from shallower zones. There is no production from a comparable correlative interval within 2.5 miles of the McGown Farms GU Well No. 1.

The nearest producing well is about 1.1 miles to the east-northeast of the subject well's surface location. However, this nearby well produces from the Angelina Field at a depth of about 11,800 feet, above the proposed correlative interval for the subject field. There are wells completed in 28 different fields within a 2.5 mile radius of the McGown Farms GU Well No. 1. All of these fields were discovered at shallower depths.

Samson proposes to designate the field as the correlative interval from 13,400 feet to 13,680 feet as shown on the well log of the McGown Farms GU, Well No. 1 (API No. 42-071-32524), sidetrack no. 1. The gamma ray and resistivity logs (Samson's Exhibit No. 4) readily identify the subject interval. Commission staff identified a sand unit at the top of the 13,400 foot correlative interval, and based on this unit determined that a two-factor allocation formula was necessary.

Samson proposes that the field remain on Statewide Rules for spacing and density. To satisfy state statutes, Samson requests that a two factor allocation formula based on 95% deliverability and 5% per well be adopted for the field. The Examiners concur that the two-factor allocation formula proposed by Samson is reasonable for this field.

**FINDINGS OF FACT**

1. Notice of this hearing was given to all parties entitled to notice at least ten days prior to the date of hearing.
2. Samson completed its McGown Farms GU, Well No. 1, on December 1, 2014, with perforations in a wildcat field in the Lower Vicksburg formation from 13,620 feet to 13,626 feet.
3. On initial test the gas well produced at a absolute open flow rate of 24,981

MCFGPD and gas-liquid hydrocarbon ratio of 5,735 cubic feet per barrel.

4. About 60 wells have been drilled within a 2.5 mile radius.
5. There is no production from a comparable correlative interval within 2.5 miles of the McGown Farms GU Well No. 1.
6. The nearest producing well is about 1.1 miles to the east-northeast of the subject well's surface location and produces from the Angelina Field at a depth of about 11,800 feet.
7. There are wells completed in 28 different fields within a 2.5 mile radius of the McGown Farms GU Well No. 1. All of these fields were discovered at shallower depths.
8. The correlative interval from 13,400 feet to 13,680 feet as shown on the well log of the McGown Farms GU, Well No. 1 (API No. 42-071-32524), sidetrack no. 1, is appropriate for this field.
9. A two factor allocation formula based on 95% deliverability and 5% per well is reasonable for this field.

**CONCLUSIONS OF LAW**

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code § 81.051
2. All notice requirements have been satisfied. 16 Tex. Admin. Code § 1.45
3. The requested new field designation for the Ora (13400 Sand) Field meets the requirements of Statewide Rule 41. 16 Tex. Admin. Code § 3.41

**RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the Examiners recommend a new field designation be granted and field rules adopted for the Ora (13400 Sand) Field, as requested by Samson.

Respectfully submitted,



Paul Dubois  
Technical Examiner



John Dodson  
Hearings Examiner