

the two fields is beginning to cause a dilemma in the permitting process with which field to choose. Most operators are choosing the Mendota, NW. (Granite Wash) Field since it already has modern horizontal well field rules. As a result, Tecolote requests to consolidate the Mendota, NW. (Granite Wash, SW.) Field into the Mendota, NW. (Granite Wash) Field with no change to the existing field rules in the Mendota, NW. (Granite Wash) Field.

The field rules for the Mendota, NW. (Granite Wash, SW.) Field were last amended on February 27, 1984 (Oil and Gas Docket No. 10-81,774). The field does not have a formal correlative interval identifying the field interval. However, there is a well log of the discovery well for the field. The Mendota, NW. (Granite Wash) Field has adopted a correlative interval for the field. The interpretation of Tecolote's engineering witness, James Clark, P.E., is that both fields share the same interval top, and both fields are developing the same interval, commonly known as the Granite Wash Formation.

The Mendota, NW. (Granite Wash, SW.) Field does not have field rules pertaining to horizontal well completions in the field. To-date, only one horizontal well has been drilled in the Mendota, NW. (Granite Wash, SW.) Field. The Mendota, NW. (Granite Wash) Field has hundreds of horizontal wells in the field. Since the Mendota, NW. (Granite Wash, SW.) Field does not have any field-specific field rules pertaining to horizontal wells, when operators develop a lease that already has existing vertical wells, they tend to permit new horizontal wells in the Mendota, NW. (Granite Wash) Field. The Mendota, NW. (Granite Wash) Field was designated as an Unconventional Fracture Treated (UFT) field in Oil and Gas Docket No. 01-0299858.

Tecolote agreed that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order shall be effective on the date a Master Order relating to this Final Order is signed.

FINDINGS OF FACT

1. Notice of this hearing was provided to all active operators in the Mendota, NW. (Granite Wash, SW.) Field and the Mendota, NW. (Granite Wash) Field at least ten (10) days prior to the date of the hearing and no protests were received.
2. Tecolote requests to consolidate the Mendota, NW. (Granite Wash, SW.) Field into the Mendota, NW. (Granite Wash) Field with no change to the existing field rules in the Mendota, NW. (Granite Wash) Field.
3. The field rules for the Mendota, NW. (Granite Wash, SW.) Field were last amended on February 27, 1984 (Oil and Gas Docket No. 10-81,774).
4. The Mendota, NW. (Granite Wash, SW.) Field and the Mendota, NW. (Granite Wash) Field in Hemphill and Roberts Counties are starting to merge

geographically, and the same Granite Wash interval is being developed in both fields.

- a. Both the Mendota, NW. (Granite Wash, SW.) Field and the Mendota, NW. (Granite Wash) Field share the same interval top, and both fields are developing the same interval, commonly known as the Granite Wash Formation.
 - b. The field rules for the Mendota, NW. (Granite Wash, SW.) Field were last amended on February 27, 1984 (Oil and Gas Docket No. 10-81,774).
 - c. The Mendota, NW. (Granite Wash, SW.) Field does not have field rules pertaining to horizontal well completions in the field.
 - d. To-date, only one horizontal well has been drilled in the Mendota, NW. (Granite Wash, SW.) Field.
 - e. The Mendota, NW. (Granite Wash) Field was designated as an Unconventional Fracture Treated (UFT) field in Oil and Gas Docket No. 01-0299858.
 - f. The Mendota, NW. (Granite Wash) Field has hundreds of horizontal wells in the field.
 - g. When operators develop a lease that already has existing vertical wells, they tend to permit new horizontal wells in the Mendota, NW. (Granite Wash) Field.
5. Tecolote agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order shall be effective on the date a Master Order relating to this Final Order is signed.

CONCLUSIONS OF LAW

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Consolidating the Mendota, NW. (Granite Wash, SW.) Field into the existing Mendota, NW. (Granite Wash) Field will prevent waste, protect correlative rights, and promote development of the field.

4. Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and the consent of the applicants, this Final Order is effective when a Master Order relating to this Final Order is signed on December 5, 2017.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission consolidate the Mendota, NW. (Granite Wash, SW.) Field into the Mendota, NW. (Granite Wash) Field with no change to the existing field rules in the Mendota, NW. (Granite Wash) Field, Hemphill and Roberts Counties, Texas.

Respectfully submitted,



Karl Caldwell
Technical Examiner



Kristi M. Reeve
Administrative Law Judge