

# BLANCHARD WALKER

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November 29, 2007

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 94275  
Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION  
Statewide Order No. 29-D-1  
Lisbon Commingling Facility  
Lisbon Field  
Claiborne Parish, Louisiana  
Our File No. 280109.0356

Dear Sir:

On behalf of Hassie Hunt Exploration Company, application is hereby made for a public hearing to receive evidence concerning the following matters relating to the commingling of production from the units, lease and wells in the Lisbon Field, Claiborne Parish, Louisiana, as set forth on Exhibit A attached hereto:

1. To authorize the commingling in the applicant's Lisbon Commingling Facility a/k/a Lisbon Common Point (CP) of gas and liquid hydrocarbons produced from the units, lease and wells shown on Exhibit A attached hereto in the Lisbon Field, Claiborne Parish, Louisiana;
2. To approve the commingling of production from such units, lease and wells in the Lisbon Field, and the allocation of production based upon monthly well tests in the manner proposed herein, in accordance with the provisions of Statewide Order 29-D-1;
3. To authorize the Office of Conservation to administratively amend the approval of this Commingling Application to allow for semi-annual well tests after a period of one year from the initial commingling of the referenced units, lease and wells using monthly well tests, upon submittal of satisfactory evidence to the Office of Conservation to justify such change.
4. To consider such other matters as may be pertinent.

Attached hereto and made a part of this application are the following:

1. A diagrammatic sketch of the mechanical installation to be used, showing the flow of gas and liquid hydrocarbons, and the equipment to be used for full stream test of each well to be commingled.
2. Detailed explanation of the flow of gas and liquid hydrocarbons, the procedure and frequency of well tests and for calibration of any metering devices and allocation formulas to be utilized.
3. Schematic of three phase test separator.

In the opinion of the applicant, the commingling of gas and/or liquid hydrocarbons and the use of well tests for allocations of production in the manner proposed will provide reasonably accurate measurement, will not create inequities, and will afford the owner of any interest the opportunity to recover his just and equitable share of production.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the attachments, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A check in the amount of \$503.00 ( which supplements a check for \$252.00 previously sent to you) made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation, and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 

Wm. Timothy Allen III

Attorneys for Hassie Hunt Exploration Company

WTAll:kmw

Enclosures

- cc: Mr. James C. Broussard, District Manager  
Office of Conservation, Shreveport, La. (w/enclosures)
- cc: Interested Owners, Represented Parties  
and Interested Parties (w/enclosures)

**EXHIBIT A**  
**Hassie Hunt Exploration Company**  
**Lisbon Field**  
**Operated Wells**

<b>UNITS &amp; WELLS</b>	<b>SERIAL NUMBER</b>
H'VILLE A SUD; FLURRY, W. F. #1-D	#128306
H'VILLE B SUE; HARRELL #B-1	#034413
H'VILLE B SUF; M. B MITCHAM #1	#130950
L HOSS RA SUG; KING #1	#137672
L HOSS SUG; J. W. NOLEN #A-1-ALT	#109794
TFL RC SUC; W. J. GREEN #A-4	#222517
L HOSS SUI; MANDARHEE NOLEN #1-ALT	#224030
L HOSS SUH; NOLEN #2	#222289
SX SUI; M. B. MITCHAM #1-D	#131919
H'VILLE B SUH; W. F. FLURRY #1	#126398
H'VILLE B RB SUB; EUNICE GREEN #1	#133726

**DESCRIPTION OF FLOW  
HASSIE HUNT EXPLORATION COMPANY  
LISBON FIELD COMMINGLING APPLICATION  
CLAIBORNE PARISH, LOUISIANA**

**PROCESS FLOW DESCRIPTION – METHOD OF SEPARATION**

Currently there are 11 wells capable of full well stream to the Lisbon Common Point. At that point liquid hydrocarbons and water are separated from the gas stream by means of a three phase separator. The liquid hydrocarbons will be collected in stock tanks and transported to sales via truck. The produced water is piped to and disposed of at Hassie Hunt Exploration Company's Thompson A-1 SWD system. The gas stream will continue through compression before being transferred via pipeline to the Regency Gas Gathering sales point.

**MEASUREMENT**

**Procedures and Frequency of Calibration/Proving Gas Metering Devices**

A gas meter is located on each well and is used for informational and operational purposes only and will not be used to allocate gas production. Each gas meter is inspected on a daily basis and checked weekly for accuracy. Any gas meter suspected of inaccurate measurement is reported and tested/calibrated by a third party technician. All meters are tested and calibrated at least quarterly by a third party to assure accurate gas measurement. Gas production will be allocated to each well based upon the allocation method set forth below.

**Liquid Hydrocarbons Oil Tank Measurement**

Two 210 barrel or larger steel stock tanks will be installed at the Lisbon Common Point and strapped at the appropriate time to insure accurate measurement of collected liquid hydrocarbons. All liquid hydrocarbons from the wells that flow to the Lisbon Common Point will be gauged and sold from these tanks via transport trucks. Liquid hydrocarbon production will be allocated to each well based upon the allocation method set forth below.

## **ALLOCATION**

GPM stations are located on each well in the Lisbon Field. Each GPM station is located upstream of any separation. Using these GPM stations, the oil, water and gas is diverted through a third party portable test separator. Each well is tested for volumes of oil, water and gas. A sample of separated gas is also collected and analyzed during this procedure. Those third party tests are used for allocation of products collected and disposed of (water) or sold (gas and liquid hydrocarbons) as follows:

### **Gas**

Gaseous hydrocarbons sold are allocated back to each well based upon monthly individual well tests using a third party three phase portable test separator. The test separator gas meter will be calibrated quarterly.

### **Liquid Hydrocarbons**

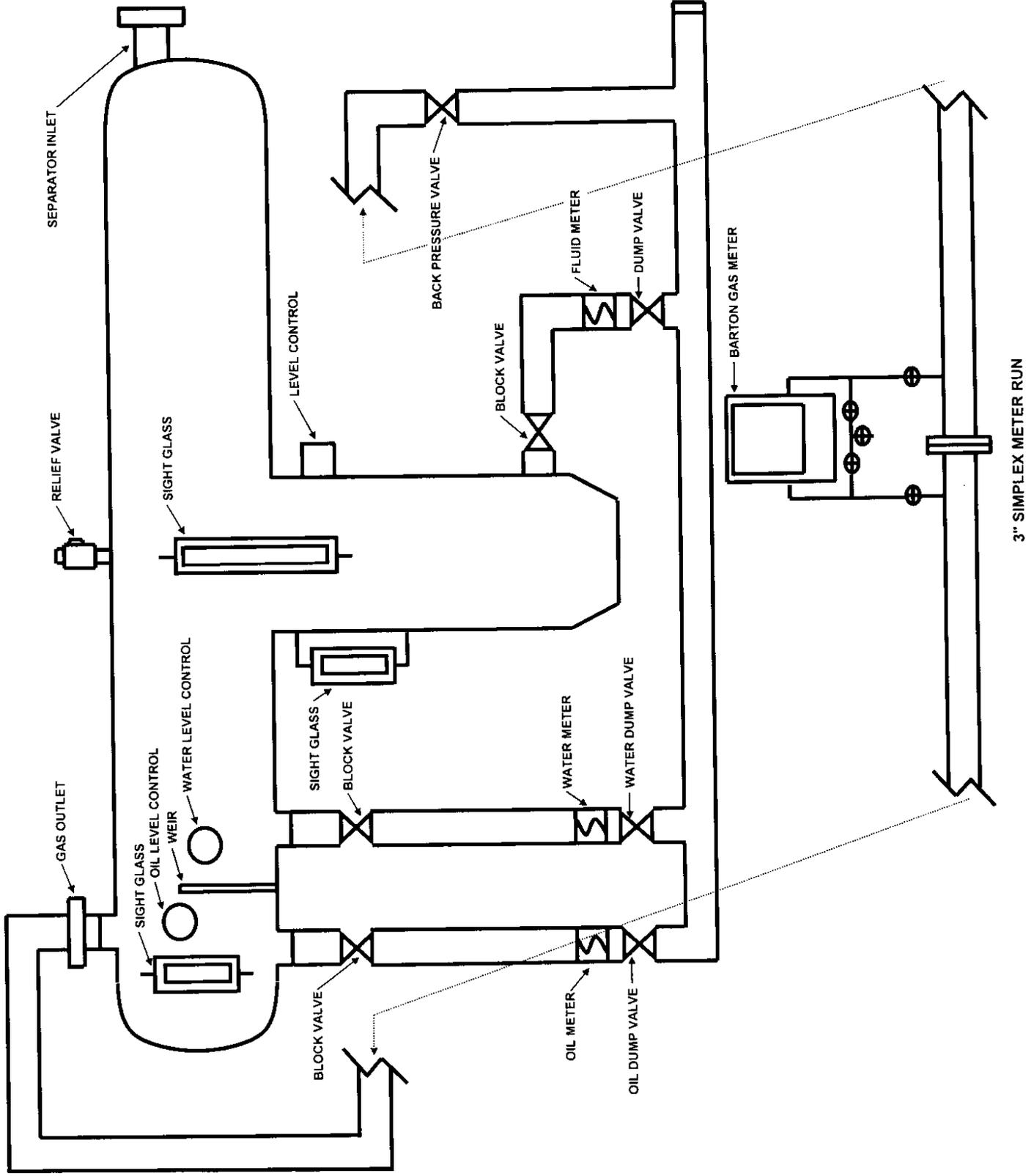
Liquid hydrocarbons sold are allocated back to each well based upon monthly individual well tests using a third party three phase test separator. The test separator liquid hydrocarbon meter will be calibrated monthly.

### **Water**

Produced water is allocated back to each well based upon monthly individual well tests using a third party three phase test separator.

In the opinion of Hassie Hunt Exploration Company, the commingling process under this application will provide reasonable accurate measurement, will not create inequities, and the owner of any interest will have the opportunity to recover his just and equitable share of production.

# 24" X 10' THREE PHASE PORTABLE TEST SEPARATOR



# LISBON FIELD FLOW SCHEMATIC

11/20/04/01

