

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL**

**OIL & GAS DOCKET
NO. 01-0266769**

**IN THE EAGLEFORD FORMATION,
DIMMIT AND MAVERICK COUNTIES,
TEXAS**

FINAL ORDER

After statutory notice in the above-numbered docket heard on August 31, 2010, the Railroad Commission of Texas makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Anadarko E & P Company LP (P-5 Operator No. 020542) requests a Railroad Commission of Texas certification that gas wells completed in the Eagleford formation, currently including the Briscoe Ranch (Eagleford) Field, in Dimmit and Maverick Counties, Texas, are completed in a high-cost/tight-gas formation pursuant to Statewide Rule 101.
2. Notice of the application was provided to all affected parties at least 21 days prior to the Commission review. No protests or comments were filed in response to this application.
3. The proposed tight-gas area contains all of Dimmit and Maverick Counties. All of Webb, LaSalle, McMullen and Live Oak Counties have been approved for the tight gas certification of the Eagleford formation.
4. The Eagleford formation is the correlative interval found between 7,150 feet (MD) and 7,535 feet (MD) as shown on the log of the Briscoe Catarina West Well No. 1 (API No. 127-33421). Within the proposed area, the top of the Eagleford is found at depths ranging from approximately 5,400 feet to approximately 7,900 feet.
5. The Eagleford within the requested area of the application meets the Railroad Commission Statewide Rule 101 guidelines for a high cost/tight gas formation.
 - a. 16 TAC §3.101(f)(3)(B) specifies that the in-situ horizontal permeability should not exceed 0.1 millidarcies, as determined by geometric mean or median methodology, in order to qualify as a high cost/tight gas formation.
 - b. Formation in-situ permeability was calculated for 18 wells in the area. The geometric mean calculated permeability for the 18 wells is 0.003072 md, which is less than the 0.1 millidarcies limit imposed by 16 TAC §3.101(f)(3)(B).
 - c. 16 TAC §3.101(f)(3)(B) specifies that the stabilized, pre-stimulation producing rate against atmospheric pressure, as determined by geometric-mean or median methodology, must not be expected to exceed 5 BOPD of crude oil and 188 MCFD for vertical wells completed in the subject formation.

- d. The geometric mean of calculated pre-stimulation stabilized absolute open flow rates for the 18 data point wells wells completed in the subject formation is 40 MCFD. The stabilized absolute open flow rates for the wells were calculated using a modified Darcy Radial Flow equation, the gross feet of the Eagleford at the well locations and the calculated in-situ permeability value. Gas wells completed in the Eagleford located within the proposed area are therefore not expected to produce more than 5 BOPD crude oil and 188 MCFD prior to stimulation.

CONCLUSIONS OF LAW

1. Proper notice was issued to all affected persons as required by the applicable codes and regulatory statutes.
2. The Railroad Commission of Texas is the appropriate agency to make a determination concerning a high cost/tight gas formation certification pursuant to 16 TAC §3.101.
3. The Eagleford, currently producing from the Briscoe Ranch (Eagleford) Field, within Dimmit and Maverick Counties, Texas, complies with the provisions of 16 TAC §3.101(f)(3)(B) and gas wells completed in the Eagleford Shale within the two counties are producing from a high cost/tight gas formation.
4. Gas produced from gas wells completed in the Eagleford formation, currently producing from the Briscoe Ranch (Eagleford) Field, located within Dimmit and Maverick Counties, Texas, is a high cost/tight formation gas pursuant to 16 TAC §3.101.

Therefore, it is ordered by the Railroad Commission of Texas that effective September 14, 2010, the application of Anadarko E & P Company LP for the Commission's certification that the Eagleford formation, recognized and identified as the correlative interval found between 7,150 feet (MD) and 7,535 feet (MD) as shown on the log of the Briscoe Catarina West Well No. 1 (API No. 127-33421), in Dimmit and Maverick Counties, Texas, be designated a tight gas formation and therefore produces high cost gas pursuant to 16 TAC §3.101, be and is hereby approved.

Done this 14th day of September, 2010.

RAILROAD COMMISSION OF TEXAS

**Approved and signatures affixed by O&G
Unprotested Master Order dated
September 14, 2010)**