

**RAILROAD COMMISSION OF TEXAS  
OIL AND GAS DIVISION**

**OIL AND GAS DOCKET  
NO. 09-0255892**

**NEWARK, EAST (BARNETT SHALE),  
FIELD, EASTLAND COUNTY, TEXAS**

**FINAL ORDER**

After statutory notice in the above-numbered docket heard on April 7, 2008, the Railroad Commission of Texas makes the following findings of fact and conclusions of law:

**FINDINGS OF FACT**

1. CDX Gas LLC (P-5 Operator No. 120061) requests a Railroad Commission of Texas certification that wells completed in a portion of the Newark, East (Barnett Shale) Field (Field No. 65280-200) in Eastland County, 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 top of the applied for Barnett Shale formation at an average depth of 3250 feet is found within the correlative geologic interval from 3497 feet to 3641 feet as shown on the type log of the CDX Gas LLC, Pilot Well No. 2 (API No. 42-133-37967) for the Newark, East (Barnett Shale) Field (Field No. 65280-200), within Eastland County, Exhibit No. 14.
4. The proposed correlative interval for the field, 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. The proposed Barnett Shale tight gas interval averages 150 feet in gross thickness within Eastland County; one (1) well has penetrated, tested and/or produced from the proposed tight gas interval within the requested area; formation in-situ permeability was calculated for the well from analysis of single point flow data tests; the calculated formation permeability is 0.004725 millidarcies; the calculated formation in-situ permeability for the data-point well 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 and 91 MSCF per day for vertical wells completed in the subject field interval.
5. The calculated pre-stimulation stabilized absolute open flow rate for the well completed in the requested field interval is 27 MSCF per day; the stabilized absolute open flow rate for the well was calculated using a modified Darcy Radial Flow equation, the net feet of vertical pay at the respective well location and the calculated in-situ permeability value; wells completed in the subject field and located within the proposed area are not expected to produce more than 5 BOPD crude oil 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 proposed portions of the Newark, East (Barnett Shale) Field (Field No. 65280-200), within Eastland County, comply with the provisions of 16 TAC §3.101(f)(3)(B) and the Commission determines that wells completed in the subject field within said area are producing from a high cost/tight gas formation.
4. Gas produced from the wells completed in the Newark, East (Barnett Shale) (Field No. 65280-200) located within Eastland County, 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 April 24, 2008, the application of CDX Gas LLC for the Commission's certification that the Barnett Shale formation within the correlative geologic interval of 3497 feet to 3641 feet as shown on the type log of the CDX Gas LLC, Pilot Well No. 2 (API No. 42-133-37967) of the Newark, East (Barnett Shale) Field (Field No. 65280-200) in the entirety of Eastland County, Texas, be designated a tight gas formation and therefore produces high cost gas pursuant to 16 TAC §3.101, be and it is hereby approved.

Done this 29<sup>th</sup> day of May, 2008.

**RAILROAD COMMISSION OF TEXAS**

**(Approved and signatures affixed by O&G  
Unprotested Master Order dated May 29, 2008)**

