



RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 01-0253101

THE APPLICATION OF XTO ENERGY INC. TO CONSIDER INCREASED NET GOR FOR ITS W. T. HURT LEASE, FASHING (EDWARDS LIME -A-) FIELD, ATASCOSA COUNTY, TEXAS

Heard by: Donna K. Chandler on October 8, 2007

Appearances:

James Clark

Representing:

XTO Energy Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

XTO Energy Inc. requests that all overproduction for its W. T. Hurt lease in the Fashing (Edwards Lime -A-) Field be cancelled.

The application is unopposed and the examiner recommends cancellation of the overproduction.

DISCUSSION OF EVIDENCE

The W. T. Hurt No. 13 was completed in the Fashing (Edwards Lime -A-) Field in May 2007. XTO filed completion papers to classify the well as a gas well. However, Commission staff advised XTO that the well should be classified as an oil well. Form W-2 was filed indicating a potential of 10 BOPD, 652 MCFD and 50 BWPD. The top allowable in the field is 142 BOPD and 284 MCFD and there are two other producing oil wells in the field. The associated gas field is AOF status.

The well has been assigned a penalized oil allowable of 5 BOPD due to the high gas-oil ratio. The gas-oil ratio has continued to increase and on September 25, the well was tested at 1.8 BOPD, 452 MCFD, 26 BWPD, with a gas-oil ratio in excess of 255,000 cubic feet per barrel. XTO has just filed completion papers to reclassify the well as a gas well based on this recent test.

XTO had originally requested increased net gas-oil ratio authority for the well, but is now requesting only that all overproduction be cancelled. As of September 1, 2007, the well has accumulated casinghead gas overproduction of 26,862 MCF.

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. The W. T. Hurt No. 13 was completed in May 2007 in the Fashing (Edwards Lime -A-) Field.
3. The current top allowable in the field is 142 BOPD and 284 MCFD.
4. XTO initially filed completion papers to classify the well as a gas well. Commission staff directed XTO to classify the well as an oil well. The initial potential was 10 BOPD, 652 MCFD and 50 BWPD.
5. The producing gas-oil ratio has continued to increase and the most recent test indicates a gas-oil ratio of over 250,000 cubic feet per barrel. XTO has filed Forms G-1 and G-5 to reclassify the well to a gas well.
6. As of September 1, the cumulative overage for the lease is approximately 27 MMCF.

CONCLUSIONS OF LAW

1. Notice of this hearing was given as specified in the provisions of all regulatory codes.
2. All things have occurred or been accomplished to give the Commission jurisdiction in this matter.
3. Cancellation of overproduction for the W. T. Hurt lease in the Fashing (Edwards Lime -A-) Field will not harm correlative rights and will not cause waste.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends cancellation of overproduction for the W. T. Hurt lease in the Fashing (Edwards Lime -A-) Field.

Respectfully submitted,


Donna K. Chandler
Technical Examiner