

July 6, 2007

**OIL AND GAS DOCKET NO. 06-0252074**

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**APPLICATION OF XTO ENERGY, INC. TO CONSOLIDATE THE BETHANY (TRAVIS PEAK 6400, GAS) FIELD INTO THE BETHANY (TRAVIS PEAK CONS.) FIELD AND AMEND THE FIELD RULES FOR THE BETHANY (TRAVIS PEAK CONS.) FIELD, HARRISON AND PANOLA COUNTIES, TEXAS**

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**HEARD BY:** Thomas H. Richter, P.E.

**DATE OF HEARING:** July 6, 2007

**APPEARANCES:**

Rick Johnston

**REPRESENTING:**

XTO Energy, Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**  
**STATEMENT OF THE CASE**

This is the unopposed application of XTO Energy for the Commission to consider consolidating the Bethany (Travis Peak 6400, Gas) Field into the existing Bethany (Travis Peak Cons.) Field. The field rules as adopted by Order No. 06-0219016, issued effective May 12, 1998, for the Bethany (Travis Peak Cons.) Field are as follows:

1. The entire combined correlative interval from 6,630' to 7,740' as shown on the Dual Induction-SFL/Litho/ Density/ Compensated Neutron /Gamma Ray log of the Texaco E&P Inc., G.W. Brumble G.U. No. 1 Well No. 3, E. Brackin Survey, A-75, Panola County, Texas, is designated as the Bethany (Travis Peak Cons.) Field.
2. An allocation formula based on 95% deliverability and 5% per well. The allocation formula has been suspended since 1998.

XTO Energy proposes amending the rules as follows:

1. The entire combined correlative interval from **6,360' to 7,858'** as shown on the Dual Induction-SFL/Litho/ Density/ Compensated Neutron /Gamma Ray log of the Texaco E&P Inc., G.W. Brumble G.U. No. 1 Well No. 3, E. Brackin Survey, A-75, Panola County, Texas, should be designated as the Bethany (Travis Peak Cons.) Field.
2. No change and the allocation formula remain suspended.

**DISCUSSION OF THE EVIDENCE**

The Bethany (Travis Peak Cons.) Field was created by consolidation of numerous Travis Peaks Fields pursuant to Order No. 06-0219016, effective May 12, 1998. The special field rules

provide for the designation of a correlative interval and a 2-factor allocation formula. It is a large multi-operator field and approximately 50 wells.

The Bethany (Travis Peak 6400, Gas) Field was discovered in 1978 at 6,274' subsurface depth. Special field rules were adopted by Order No. 6-72,476, effective May 21, 1979.<sup>1</sup> The rule provide for minimum well spacing of 1320'/2640', 640 acre density and 100% area allocation formula.

The entire combined correlative interval from 6,360' to 7,858' as shown on the Dual Induction-SFL/Litho/ Density/ Compensated Neutron /Gamma Ray log of the Texaco E&P Inc., G.W. Brumble G.U. No. 1 Well No. 3, E. Brackin Survey, A-75, Panola County, Texas, should be designated as the Bethany (Travis Peak Cons.) Field. The proposed interval represents the previously recognized Travis Peak interval expands the interval both upward and deeper to include subsequently productive Travis Peak lenses.

Consolidation of the subject fields will provide for the orderly development of fields and the efficient and effective recovery of reserves that otherwise would go unrecovered.

Continuation for suspension of the allocation formula is appropriate as there remains a markets for 100% of the gas produced from the field.

### **FINDINGS OF FACT**

1. Notice of this hearing was sent to all operators in the subject field at least ten (10) days prior to the subject hearing.
2. There was no protest at the call of the hearing.
3. The Bethany (Travis Peak Cons.) Field was created by consolidation of numerous Travis Peaks Fields pursuant to Order No. 06-0219016, effective May 12, 1998.
4. The Bethany (Travis Peak 6400, Gas) Field was discovered in 1978 at 6,274' subsurface depth. Special field rules were adopted by Order No. 6-72,476, effective May 21, 1979.
5. The entire combined correlative interval from 6,360' to 7,858' as shown on the Dual Induction-SFL/Litho/ Density/ Compensated Neutron /Gamma Ray log of the Texaco E&P Inc., G.W. Brumble G.U. No. 1 Well No. 3, E. Brackin Survey, A-75, Panola County, Texas, should be designated as the Bethany (Travis Peak Cons.) Field.
6. Consolidation of the subject fields will provide for the orderly development of fields and the efficient and effective recovery of reserves that otherwise would go unrecovered.

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<sup>1</sup> Special Order 20-68,382 effective February 6, 1978, without the requirement of a hearing.

7. Continuation for suspension of the allocation formula is appropriate as there remains a markets for 100% of the gas produced from the field.

**CONCLUSIONS OF LAW**

1. Proper notice was given to all parties as set out in the provisions of all applicable codes and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Consideration for consolidation of fields and field rules, a determination of the effectiveness of the rules and appropriate actions is a matter within the Commission jurisdiction.
4. Consolidation of fields and adoption of the proposed field rules will prevent waste, foster conservation and protect correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions of law, the examiner recommends approval of the proposed field consolidation of the Bethany (Travis Peak 6400, Gas) Field into the existing Bethany (Travis Peak Cons.) Field and amending the field rules for the Bethany (Travis Peak Cons.) Field.

Respectfully submitted,

Thomas H. Richter, P.E.  
Technical Examiner  
Office of General Counsel