

August 1, 2007

**OIL AND GAS DOCKET NO. 04-0252495**

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**APPLICATION OF EOG RESOURCES, INC. TO AMEND THE FIELD RULES FOR THE LOPEZ, S.E. (CONSOLIDATED) FIELD, DUVAL COUNTY, TEXAS**

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

**DATE OF HEARING:** July 30, 2007

**APPEARANCES:**

Doug Dashiell, attorney  
Nathan Andrews

**REPRESENTING:**

EOG Resources, Inc.

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

This is the unprotested application of EOG Resources for the Commission to amend field rules as adopted by Order No. 04-0249491 issued effective December 19, 2006 for the Lopez, S.E. (Consolidated) Field which provide for:

1. The entire combined correlative interval from 7,800' to 8,450' as shown on the Type Log of the V. Kohler A Lease Well No.100, (API No. 131 10771), N. Gussett Survey, A-124, Duval County, Texas, be designated as the Lopez, S.E. (Consolidated) Field.
2. Allocation formula of 95% deliverability and 5% per well.

EOG Resources proposes to amend only the designated interval as follows:

1. The entire combined correlative interval from 7,800' to 9,500' as shown on the SP/Resistivity Log of the Humble Oil & Refining Company, Kohler A Lease Well No.100, (API No. 131 10771), N. Gussett Survey, A-124, Duval County, Texas, be designated as the Lopez, S.E. (Consolidated) Field.

No other changes in the current rules and continued suspension of the allocation formula. The examiner recommends approval of the proposed amended field rules.

**DISCUSSION OF THE EVIDENCE**

The Lopez, SE. (Consolidated) Field was created December 19, 2006 by expanding the correlative interval for the Lopez, S.E. (8140) Field by Commission Order No. 04-0249491 effective December 16, 2006. The approved field interval is from 7,800 feet to 8,450 feet. The field's

allocation formula is suspended. There are three operators in the field currently. The July 2007 proration schedule indicates there are over 35 wells. Cumulative production from the field is approximately 20 BCF of gas and 218,000 BC.

EOG requests that the current field designation be expanded to include additional Hinnant Wilcox intervals that through the drilling of additional wells in the lower part of the Hinnant are productive but are not stand alone sands for individual completions. The current interval includes the H-1 through H-7 sands. EOG proposes adding the interval through the H-9 Wilcox sands. There are typically at least 5 intervals that may be perforated and as many as 9 intervals. The entire combined correlative interval from 7,800' to 9,500' as shown on the SP/Resistivity Log of the Humble Oil & Refining Company, Kohler A Lease Well No.100, (API No. 131 10771), N. Gussett Survey, A-124, Duval County, Texas, be designated as the Lopez, S.E. (Consolidated) 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 Lopez, SE. (Consolidated) Field was created December 19, 2006 by expanding the correlative interval for the Lopez, S.E. (8140) Field by Commission Order No. 04-0249491 effective December 16, 2006.
  - a. The approved field interval is from 7,800 feet to 8,450 feet as shown on the log of the discovery well.
  - b. The field's allocation formula is suspended.
  - c. There are three operators in the field currently.
4. The entire combined correlative interval from 7,800' to 9,500' as shown on the SP/Resistivity Log of the Humble Oil & Refining Company, Kohler A Lease Well No.100, (API No. 131 10771), N. Gussett Survey, A-124, Duval County, Texas, be designated as the Lopez, S.E. (Consolidated) Field.
  - a. The current field designation includes the H-1 through H-7 sands.
  - b. Expanding to include additional Hinnant Wilcox intervals that are productive but are not stand alone sands for individual completions will increase the ultimate recovery 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 of field rules, a determination of the effectiveness of the rules and appropriate actions is a matter within the Commission jurisdiction.
4. Adoption of the proposed amended field rule 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 amended field rule for the Lopez, S.E. (Consolidated) Field.

Respectfully submitted,

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