



# RAILROAD COMMISSION OF TEXAS

## OFFICE OF GENERAL COUNSEL

**OIL AND GAS DOCKET NO. 05-0277867**

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**THE APPLICATION OF XTO ENERGY, INC. TO AMEND FIELD RULES FOR THE DEW (C.V. CONSOLIDATED) FIELD, FREESTONE COUNTY, TEXAS**

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**Heard by:** Brian K. Fancher, P.G. - Technical Examiner  
Randall Collins - Legal Examiner

**Date of Hearing:** September 10, 2012

**Appearances:**  
Rick Johnston

**Representing:**  
XTO Energy, Inc.

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Field Rules for the DEW (C.V. Consolidated) Field were originally adopted in Final Order No. 05-0229554, effective December 04, 2001, as amended. The Field Rules currently in effect are summarized as follows:

1. Designation of the field as the correlative interval from 10,700 feet to 13,330 feet, as shown on the log of the William C. Glazener #1 (API No. 42-161-30726), Durham Avant Survey, A-3, Freestone County, Texas;
2. 330'-0" well spacing with special provisions for off-lease penetration points, "take points", and a "box" rule for horizontal well spacing.
3. 40 acre proration units with optional 20 acre units and no maximum diagonal;
4. Stacked Lateral Wells;
5. Allocation based on 5% per well and 95% deliverability.

XTO Energy, Inc. ("XTO") requests that Field Rule No. 1 above be amended to instead include the correlative interval as follows:

1. Designation of the field as the correlative interval from 10,700 feet to 13,775 feet, as shown on the log of the William C. Glazener #1 (API No. 42-161-30726), Durham Avant Survey, A-3, Freestone County, Texas;

The application was unopposed and the examiners recommend that the field rules for the DEW (C.V. Consolidated) Field be amended, as proposed by XTO.

### **DISCUSSION OF THE EVIDENCE**

The DEW (C.V. Consolidated) Field was discovered in December 2001 at an average depth of 10,700 feet and is classified as a non-associated gas field. The September 2012 Gas Proration Schedule lists multiple operators in the field with 342 wells on schedule, of which 139 are producing wells. Cumulative production from the field through August 2012 is reported at 350 BCFG and 122.2 MBC.

XTO presented a copy of the current field rules for the subject field. The current field rules provide for a designated correlative interval, 330'-0' well spacing with special provisions for horizontal wells that include an off-lease penetration points, "take points", and a "box" rule. Additionally, the field rules provide for 40 acre proration units with 20 acre optional units, stacked lateral wells, and a two-factor allocation formula.

The current designated correlative interval spans from 10,700 feet to 13,330 feet, as shown on the log of the William C. Glazener #1 (API No. 42-161-30726), Durham Avant Survey, A-3, Freestone County, Texas. In the subject application, XTO seeks to extend the base of the correlative interval, as seen in the above well, to 13,775 feet.

In support of its application, XTO submitted a stratigraphic cross-section that utilizes the top of the Cotton Valley Lime formation as the datum<sup>1</sup>. The cross-section incorporates two well locations that traverse the aerial extent of the subject field. No faulting or structural separation is indicated on the cross-section for the current or proposed correlative interval. XTO testified the base of the current correlative interval truncates at the top of the Cotton Valley Lime formation. XTO testified it seeks to add the Cotton Valley Lime formation so that all sand intervals observed in the Cotton Valley formation, situated directly above the Cotton Valley Lime formation, may be included in the subject field's correlative interval.

XTO testified there are no designated Commission fields that produce from the Cotton Valley Lime formation that it seeks to incorporate into its proposed designated correlative interval for the subject field.

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<sup>1</sup> In the context of the subject application, datum is a fixed line in relation to which others are determined.

**FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The DEW (C.V. Consolidated) Field was discovered in December 2001 at an average depth of 10,700 feet and is classified as a non-associated gas field.
3. The Field Rules currently in effect for the DEW (C.V. Consolidated) Field include a designated interval, 330'-0' well spacing with special provisions for horizontal wells that include an off-lease penetration points, "take points", and a "box" rule, 40 acre proration units with 20 acre optional units, stacked lateral wells, and a two-factor allocation formula.
4. The field is currently defined as the correlative interval from 10,700 feet to 13,330 feet, as shown on the log of the William C. Glazener #1 (API No. 42-161-30726), Durham Avant Survey, A-3, Freestone County, Texas.
5. XTO seeks to amend the designated field interval as the correlative interval defined from 10,700 feet to 13,775 feet, as shown on the log of the William C. Glazener #1 (API No. 42-161-30726), Durham Avant Survey, A-3, Freestone County, Texas.
6. Expansion of the correlative interval will include all productive sand horizons encountered in the Cotton Valley formation that is situated immediately above the Cotton Valley Lime formation.
7. There are no Commission designated fields currently identified in the correlative field interval proposed by XTO Energy, Inc.

**CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable codes and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Amending Field Rule No. 1 for the DEW (C.V. Consolidated) Field will prevent waste, protect correlative rights, and promote further development of the field.

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiners recommend amending Field Rule No. 1 for the DEW (C.V. Consolidated) Field, as requested by XTO Energy, Inc.

Respectfully submitted,



Brian Fancher, P.G.  
Technical Examiner



Randall Collins  
Legal Examiner