



## RAILROAD COMMISSION OF TEXAS

### HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 04-0287409**

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**THE APPLICATION OF EOG RESOURCES, INC. TO CONSOLIDATE MULTIPLE FIELDS INTO THE PROPOSED TORDILLA (DEEP CONS.) FIELD AND TO ADOPT FIELD RULES FOR THE PROPOSED TORDILLA (DEEP CONS.) FIELD, WILLACY AND KENEDY COUNTIES, TEXAS**

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**HEARD BY:** Paul Dubois – Technical Examiner  
Laura Miles-Valdez – Hearings Examiner

**HEARING DATE:** March 21, 2014

**APPLICANT:**

Doug Dashiell  
Gary Travis

**REPRESENTING:**

EOG Resources, Inc.

### EXAMINER'S REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

EOG Resources, Inc. (EOG) requests that 20 Tordilla Fields in the Frio Formation be consolidated into the Tordilla (Deep Cons.) Field, in Willacy and Kenedy Counties, Texas. EOG further requests that field rules be adopted for the consolidated field, including a correlative interval, 467/1,200-ft spacing, 40-acre density, and a two-factor allocation formula. This application was not protested and the examiners recommend approval of EOG's request for field consolidation and adoption of field rules.

#### DISCUSSION OF THE EVIDENCE

EOG seeks to consolidate 20 Tordilla fields the Frio Formation in Willacy and Kenedy Counties into a new consolidated field named the Tordilla (Deep Cons.) Field. Consolidating these fields and establishing field rules will enable efficiencies in the late stage development of the consolidated field, reducing waste and protecting correlative rights. The 20 fields, which are overpressured zones in the lower portion of the Frio Formation, are listed below:

## Fields to Be Consolidated

Field	Field No.
Tordilla (K-45)	90753 500
Tordilla (L-27)	90753 798
Tordilla (L-43)	90753 801
Tordilla (L-71)	90753 807
Tordilla (M-10)	90753 815
Tordilla (M-50)	90753 850
Tordilla (M-50, E)	90753 853
Tordilla (M-70)	90753 860
Tordilla, North-NC (L-41)	90766 240
Tordilla, SW (L-27H)	90760 320
Tordilla-NC (K-45, E)	90763 167
Tordilla-NC (K-45, W)	90763 171
Tordilla-NC (K-88, E)	90763 181
Tordilla-NC (L-27D)	90763 241
Tordilla-NC (L-27E)	90763 242
Tordilla-NC (L-27F)	90763 243
Tordilla-NC (L-90E)	90763 245
Tordilla-NC (M-10, D2)	90763 246
Tordilla-NC (M-10H)	90763 247
Tordilla-NC (M-30E)	90763 250

About 89 total wells have been completed in the various fields. Currently there are 17 active wells and three operators. EOG operates 15 of the wells. These wells produce from various gas condensate reservoir intervals in the Frio Formation. Current daily gas production is 3.2 MMCFD. The fields were discovered from 1963 to 2003 and are found in depth intervals from 10,388 to 14,200 feet below ground surface. Cumulative gas production is about 365 BCF. The trapping mechanisms for the various fields are structural fault traps, and reservoir energy is provided by solution gas and water drive. The fields are in late stages of development. Many of the wells produce from more than one productive field interval by down-hole commingling. Fracture stimulation is necessary for well completion. Gas gravity ranges from 0.57 to 0.65 and the API gravity ranges from 40° to 59°.

EOG seeks to establish a correlative interval for the consolidated field to be that interval occurring between depths of 10,644 feet to 14,380 feet as shown on the Halliburton Array Induction Log of the Exxon Company, USA, Kleberg, R.J., Jr. Tr. Stillman #502 well (API No. 42-489-31247). Consolidating the fields into one correlative interval will eliminate the need for operators to file exceptions to Statewide Rule 10 for down-hole commingling.

EOG also requests that field density provisions be established at 40 acres, with corresponding spacing requirements of 467 feet lease line and 1,200 between wells completed on the same lease in the same field. These are statewide rules. Finally, EOG requests that a two-factor allocation formula be established for the field in accordance with the Texas Natural Resources Code; wells completed in the field may produce from multiple lenticular reservoir intervals. The two-factor allocation should be based on 95% deliverability and 5% per well.

The examiners recommend that the fields be consolidated and that field rules proposed by EOG be adopted for the consolidated field.

#### **FINDINGS OF FACT**

1. Notice of this hearing was sent to all persons legally entitled to notice at least ten days prior to the date of hearing.
2. The subject 20 Tordilla fields produce from the Frio Formation at depths of 10,388 to 14,200 feet below ground surface
3. About 89 total wells have been completed in the various fields.
4. Currently there are 17 active wells and three operators. EOG operates 15 of the wells.
5. These wells produce from various gas condensate reservoir intervals in the Frio Formation.
6. Current daily gas production is 3.2 MMCFD, and cumulative gas production is about 365 BCF.
7. The trapping mechanisms for the various fields are structural fault traps, and reservoir energy is provided by solution gas and water drive.
8. The fields are in late stages of development.
9. Many of the wells produce from more than one productive field interval by down-hole commingling.
10. The correlative interval for the consolidated field between depths of 10,644 feet to 14,380 feet as shown on the Halliburton Array Induction Log of the Exxon Company, USA, Kleberg, R.J., Jr. Tr. Stillman #502 well (API No. 42-489-31247) is appropriate.

11. The new field rules will include Statewide spacing and density requirements.
12. A two-factor allocation formula is required under the Texas Natural Resources Code.
13. Consolidating the fields will promote the orderly development of the consolidated field by avoiding the need for Rule 10 exceptions and to simplify field administration.

**CONCLUSIONS OF LAW**

1. Proper notice of this hearing was given to all persons legally entitled to notice.
2. All things have occurred or been accomplished to give the Railroad Commission jurisdiction in this matter.
3. Consolidation of the fields as proposed by EOG Resources, Inc. will promote the orderly development of the field, reduce waste and protect correlative rights.

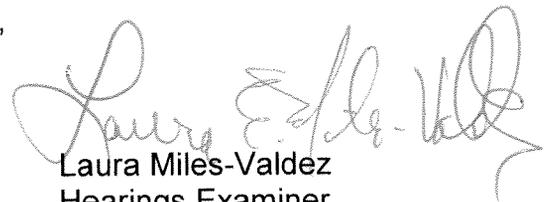
**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiners recommend that the the 20 subject Tordilla Fields be consolidated into the Tordilla (Deep Cons.) Field in Willacy and Kenedy Counties, Texas, as requested by EOG.

Respectfully submitted,



Paul Dubois  
Technical Examiner



Laura Miles-Valdez  
Hearings Examiner