



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 04-0288700**

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**THE APPLICATION OF ROSETTA RESOURCES OPERATING, L.P. TO AMEND FIELD RULES FOR THE GATES RANCH (EAGLE FORD SHALE) FIELD, WEBB COUNTY, TEXAS**

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**HEARD BY:** Paul Dubois – Technical Examiner  
Cecile Hanna – Hearings Examiner

**DATE OF HEARING:** June 26, 2014

**APPEARANCES:** **REPRESENTING:**

**APPLICANT:**

Steve Towns  
Nguyen Ngoc  
Logan Boughal

Rosetta Resources, LP

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Field Rules governing the Gates Ranch (Eagle Ford Shale) Field were amended and made permanent per Oil & Gas Final Order 04-0275655, effective September 11, 2012. The current Field Rules are summarized as follows:

1. Designation of the field as the correlative interval from 8,241 feet to 8,504 feet, as shown on the log of the Gates 05D, Well No. 2015 (API No. 42-479-39809), Section 2182, J. Galan Survey, A-65, Webb County;
2. 330' lease line spacing, no minimum between well-spacing, and special provisions for horizontal wells that include take-points, no-perforation zones, and off-lease penetration points;
3. 80 acre standard proration units and 40 acre optional units; and

4. Allocation based on 100% acreage, with the allocation formula suspended (i.e., field is 100 percent absolute open flow).

In the subject application, Rosetta Resources Operating, LP ("Rosetta") requests to add Field Rule No. 5 to include provisions for stacked lateral wells in the field. The application was not protested and the examiners recommend approval of the subject application, as requested by Rosetta.

### **DISCUSSION OF THE EVIDENCE**

The Gates Ranch (Eagle Ford Shale) Field is a non-associated gas field located in northwest Webb County that was discovered in August 2010 at an average depth of 8,300 feet below ground surface. The June 2014 gas proration schedule indicates there are 218 wells carried on schedule that include 109 producing gas wells. Currently, Rosetta is the largest active operator in the field with about 124 wells. Rosetta has an additional 91 wells permitted or drilled but not yet on the proration schedule. Through January 2014 the field has produced more than 180 billion cubic feet of gas and more than 9 million barrels of condensate.

The Gates Ranch area is located in the Maverick Basin. The Eagle Ford Shale in this area was deposited in a back-reef environment. The Eagle Ford in this area is very continuous and does not vary widely in reservoir thickness, nor does it contain natural fractures commonly found in the front-reef deposits. The Eagle Ford Shale is 320 feet thick in the Gates Ranch area, and it is productive of gas in the whole interval.

Rosetta has so far drilled most of its horizontal wells in the lower section of the Eagle Ford Shale. These laterals are usually about one-mile long. A typical well is perforated at 80-foot intervals and then fracture stimulated in about 15 stages using about 275,000 pounds of sand and 10,000 bbl fluid for each stage.

At the hearing, Rosetta testified that to effectively drain the formation comprising the subject field, a stacked lateral wells will be required. A second lateral well similarly completed but in the upper portion of the Eagle Ford Shale is necessary to fully produce the available reserves.

### **FINDINGS OF FACT**

1. Notice of this application and hearing was provided to all persons entitled to notice at least ten (10) days prior to the date of the hearing.
2. There 218 total wells and 109 producing gas wells carried on the June 2014 proration schedule.

3. Rosetta is the largest active operator in the field with about 124 wells and an additional 91 wells permitted or drilled but not yet on the proration schedule.
4. Through January 2014 the field has produced more than 180 billion cubic feet of gas and more than 9 million barrels of condensate.
5. The Eagle Ford Shale is 320 feet thick in the Gates Ranch area, and it is productive of gas in the whole interval.
6. One horizontal lateral will not fully drain the 320-foot Eagle Ford Formation.
7. Adoption of stacked lateral field rules are appropriate at this time.

**CONCLUSIONS OF LAW**

1. Proper notice of this hearing was issued.
2. All things have been accomplished or have occurred to give the Commission jurisdiction in this matter.
3. Approval of the amended Field Rules for the Gates Ranch (Eagle Ford Shale) Field is necessary to prevent waste, protect correlative rights, and promote development of the field.

**RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission approve the amended Field Rules and make the Field Rules permanent for the Gates Ranch (Eagle Ford Shale) Field, as requested by Rosetta Resources Operating, LP.



Paul Dubois  
Technical Examiner

Respectfully submitted,



Cecile Hanna  
Hearings Examiner