

**OIL AND GAS DOCKET NO. 05-0271880**

---

**THE APPLICATION OF XTO ENERGY INC. FOR BLANKET STATEWIDE RULE 10 AUTHORITY FOR ALL WELLS IN THE DONIE (PETTIT), FREESTONE (TRAVIS PEAK), AND FREESTONE (CV-BOSSIER CONS.) FIELDS, FREESTONE, LEON, AND LIMESTONE COUNTIES, TEXAS**

---

**HEARD BY:** Brian K. Fancher - Technical Examiner

**HEARING DATE:** August 25, 2011

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Rick Johnston

XTO Energy Inc.

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

XTO Energy, Inc. ("XTO") requests a Blanket Statewide Rule 10 Authority for any well in the following three fields:

<b><u>FIELD NAME</u></b>	<b><u>FIELD NUMBER</u></b>
Donie (Pettit)	25310 500
Freestone (Travis Peak)	32950 500
Freestone (CV-Bossier Cons.)	32950 285

This application was unopposed and the examiner recommends approval of the Blanket Statewide Rule 10 Authority for the three subject fields, as requested by XTO.

**DISCUSSION OF THE EVIDENCE**

The three subject fields are all classified as non-associated with 100% AOF status. Numerous wells in the fields have had completions in one or more of the subject fields. Most of the recent development has been in the Cotton Valley and Bossier formations.

## **OIL AND GAS DOCKET NO. 05-0271880**

The Donie (Pettit) Field was discovered in March 1978 and is a non-associated field that operates under special field rules. The field rules provide for 467'-1200' well spacing, 640 acre gas units with optional 40 acre density and 64 acre tolerance, and allocation based on 100% acres. Notably, the allocation formula is currently suspended as there is a 100% market for all gas produced from the field. The Donie (Pettit) Field is a consolidated field that incorporates the Freestone (Pettit) Field into the Donie (Pettit) Field (Oil & Gas Docket 05-0226676). As of August 2011, the gas proration schedule indicates XTO is the largest operator in the field and currently operates thirty-six (36) out of fifty-nine (59) wells completed in the field that have been granted a Statewide Rule 10 exception.

The Freestone (Travis Peak) Field was discovered in January 1976 and is a non-associated field that operates under special field rules. The field rules provide for 467'-600' well spacing, 320 acre gas units with optional 20 acre density and 32 acre tolerance, and allocation based on 5% per well and 95% deliverability. The allocation formula is currently suspended as there is a 100% market for all gas produced from the field. As of August 2011, the gas proration schedule indicates XTO is the largest operator in the field and currently operates forty-one (41) out of forty-three (43) wells completed in the field that have been granted an exception to Statewide Rule 10.

The Freestone (CV-Bossier Cons.) Field was discovered in February 2006 and is a non-associated field that operates under special field rules. The field rules provide for 467'-600' well spacing, 640 acre gas units with optional 20 acre density and 64 acre tolerance, and allocation based on 5% per well and 95% deliverability. The allocation formula is currently suspended as there is a 100% market for all gas produced from the field. The Freestone (CV-Bossier Cons.) Field is a consolidated field that incorporates various Freestone and Oaks fields (Oil & Gas Docket 05-0244523). As of August 2011, the gas proration schedule indicates XTO is substantially the largest operator in the field. The representative on behalf of XTO indicated the current gas proration schedule for the field does not reflect a well operated by XTO to have been granted a Statewide Rule 10 exception within the field. The applicant suggests that any well that has been dually completed in the Freestone (CV-Bossier Cons.) Field and previously granted an exception to Statewide Rule 10 prior to the hearing, will report production to the Freestone (CV-Bossier Cons.) Field in order to procure the field rules provided for the subject field. XTO indicated it intends to down-hole commingle wells solely completed in the Freestone (CV-Bossier Cons.) Field with the Donie (Pettit) and Freestone (Travis Peak) Fields, where applicable.

XTO opined it does not expect any cross-flow to occur between the three fields, as evidenced by the large quantity of wells within the geographical region of the three fields having already obtained exceptions to Statewide Rule 10 involving the subject fields. XTO requests the Blanket Statewide Rule 10 exception for the subject fields in an effort to alleviate the physical filings involved in the administrative application process.

## **OIL AND GAS DOCKET NO. 05-0271880**

### **FINDINGS OF FACT**

1. Notice of this hearing was issued to all operators in the three subject fields.
2. The three subject fields were discovered beginning in 1976. Wells in the fields have had completions in more than one field.
3. Each of the three subject fields are classified as non-associated with AOF status, as there is a 100% market for all gas produced from the subject fields.
4. The Donnie (Pettit) and Freestone (CV-Bossier Cons.) Fields are independently consolidated and their field correlative intervals include the Pettit and Cotton Valley and Bossier formations, respectively.
5. Cross-flow between the fields is unexpected due to the large quantity of wells within the geographical region of the three fields having already obtained exceptions to Statewide Rule 10 involving the subject fields.

### **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. Approval of the requested Blanket Rule 10 Authority for the three subject fields will prevent waste and will not harm correlative rights.

### **EXAMINER'S RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiner recommends that the Commission approve the Blanket Rule 10 Authority for the three subject fields, as requested by XTO Energy, Inc.

Respectfully submitted,

Brian K. Fancher  
Technical Examiner