

OIL AND GAS DOCKET NO. 06-0248418

THE APPLICATION OF XTO ENERGY, INC. TO INCREASE THE GAS-OIL RATIO FOR THE CARTHAGE (TRAVIS PEAK) FIELD, PANOLA AND HARRISON COUNTIES, TEXAS

Heard by: Donna K. Chandler on September 7, 2006

Appearances:

Rick Johnston

Representing:

XTO Energy, Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

XTO Energy, Inc. requests that the permissible gas-oil ratio for the Carthage (Travis Peak) Field be amended from 2,000 cubic feet per barrel to 10,000 cubic feet per barrel. This application was unopposed and the examiner recommends approval of the requested gas-oil ratio rule for the field. It is also recommended that all overproduction in the field be canceled.

DISCUSSION OF THE EVIDENCE

The Carthage (Travis Peak) Field was discovered in 1943 as a gas field. The first oil completion was made in 1987. There are currently 29 oil wells in the field. The oil field operates under Statewide Rules with a top allowable of 111 BOPD and 222 MCFD. The associated gas field is AOF. Cumulative production from the wells classified as oil wells is 929,000 BO and 10.7 BCF of gas.

Producing gas-oil ratios for the oil wells is generally between 10,000 and 20,000 cubic feet per barrel currently. XTO's most recent completion in the field is the Alma Anderson Oil Unit No. 1 Well No. 10. This well was completed in May 2006 as an oil well with a producing gas-oil ratio of 6,445 cubic feet per barrel. XTO tested the No. 10 well to determine if it was rate sensitive. The well was tested at rates between about 200 MCFD and 400 MCFD and the gas-oil ratio varied only about 10%.

There is no discernable oil column in the Travis Peak and wells are likely completed in both oil and gas stringers within the gross Travis Peak interval. Restricting the wells

classified as oil wells to only 222 MCFD is not necessary to prevent waste when gas wells are allowed to produce unrestricted. At least 10 individual well net GOR's have been approved for wells in the field, with casinghead gas limits ranging from 300 to 2,100 MCFD.

XTO estimates that its No. 10 well is overproduced approximately 30 MMCF of casinghead gas since its completion in May. XTO requests that all overproduction in the field be canceled.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and there were no protests.
2. The Carthage (Travis Peak) Field was discovered in 1943 as a gas field. The first oil completion was made in 1987.
3. There are currently 29 oil wells in the field and the field operates under Statewide Rules with a top allowable of 111 BOPD and 222 MCFD.
4. Currently, the producing gas-oil ratios for the oil wells is generally between 10,000 and 20,000 cubic feet per barrel.
5. A permissible gas-oil ratio of 10,000 cubic feet per barrel will not cause waste of oil in the Carthage (Travis Peak) Field.
 - a. Testing of XTO's Alma Anderson Oil Unit No. 1 Well No. 10 indicates very little rate sensitivity
 - b. There is no discernable oil column in the Travis Peak and wells are likely completed in both oil and gas stringers within the gross Travis Peak interval.
 - c. Numerous wells have previously been granted increased Net GOR authority.
 - d. The associated gas field is AOF status and gas well produce unrestricted.
6. Cancellation of all overproduction in the oil field will not harm correlative rights.

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. Amending the permissible gas-oil ratio to 10,000 cubic feet per barrel and canceling overproduction in the oil portion of the Carthage (Travis Peak) Field will not cause waste or harm correlative rights.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiner recommends that the permissible gas-oil ratio for the field be Carthage (Travis Peak) Field be set at 10,000 cubic feet per barrel. It is further recommended that all overproduction in the field be canceled.

Respectfully submitted,

Donna K. Chandler
Technical Hearings Examiner