

**THE APPLICATION OF XTO ENERGY INC TO CONSOLIDATE THE LEVITICUS  
(COTTON VALLEY LIME) FIELD INTO THE BEAR GRASS (COTTON VALLEY  
CONS) FIELD, LEON COUNTY, TEXAS**

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**HEARD BY:** Brian K. Fancher - Technical Examiner  
Marshall F. Enquist - Legal Examiner

**Hearing Date:** January 17, 2012

**Appearances:**

Rick Johnston

**Representing:**

XTO Energy Inc

**EXAMINERS' REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

XTO Energy Inc ("XTO") requests that the Leviticus (Cotton Valley Lime) Field be consolidated into the Bear Grass (Cotton Valley Cons) Field.

**FIELD NAME**

**FIELD NUMBER**

Leviticus (Cotton Valley Lime)  
Bear Grass (Cotton Valley Cons)

53416 075  
06476 300

This application was unopposed and the examiners recommend approval of XTO's request for field consolidation.

**DISCUSSION OF THE EVIDENCE**

The Leviticus (Cotton Valley Lime) Field is classified as a non-associated gas field and was discovered in April 1996 at an estimated depth of 14,250 feet. The field operates under statewide rules. Currently, there are two producing gas wells listed on the January 2012 gas proration schedule. XTO is the only operator in the field. Cumulative production through January 2012 is reported as 20 BCF.

The Bear Grass (Cotton Valley Cons) Field was discovered in February 2004 at an estimated depth of 12,000 feet. Similarly, the field is classified as a non-associated gas field. The field is currently governed by special field rules that provide for a designated correlative interval, 330'-0' well spacing, 320 acre proration units with 20

acre options, and a two-factor allocation formula. Currently, there are numerous operators active in the field. Cumulative production through January 2012 is reported as 347 BCF and 67 MBC.

In support of its application, XTO submitted a base map demonstrating the aerial locations of the two wells completed in the Leviticus (Cotton Valley Lime) Field with reference to wells completed in the Bear Grass (Cotton Valley Cons) Field. The base map illustrates wells completed in the Bear Grass (Cotton Valley Cons) Field have expanded past the area containing the Leviticus (Cotton Valley Lime) Field. The representative of XTO indicated the fields have essentially grown together through extensive development of the Bear Grass (Cotton Valley Cons) Field and that the applicant seeks to designate the two wells completed in the Leviticus (Cotton Valley Lime) Field into the appropriate Commission designated field.

XTO submitted a late-field exhibit that consisted of a six-well stratigraphic cross-section with perforation depths for each well and included the Bear Grass (Cotton Valley Cons) Field's field correlative interval, as the datum line. The subsurface data indicated the designated correlative interval for the Bear Grass (Cotton Valley Cons) Field is composed of strata that is continuous throughout the area comprising the two subject fields. The information presented on the cross-section demonstrates the two vertical wells designated in the Leviticus (Cotton Valley Lime) Field are completed within the designated correlative interval for the Bear Grass (Cotton Valley Cons) 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 Leviticus (Cotton Valley Lime) Field is classified as a non-associated gas field and was discovered in April 1996 at an estimated depth of 14,250 feet.
3. The Leviticus (Cotton Valley Lime) Field operates under statewide rules.
4. XTO Energy, Inc is the only operator currently active in the Leviticus (Cotton Valley Cons) Field.
5. The Bear Grass (Cotton Valley Cons) Field was discovered in February 2004 at an estimated depth of 12,000 feet. The field is classified as a non-associated gas field.
6. The Bear Grass (Cotton Valley Cons) Field is currently governed by special field rules that provide for a designated correlative interval, 330'-0' well spacing, 320 acre proration units with 20 acre options, and a two-factor allocation formula.

7. The stratigraphic unit comprising the Leviticus (Cotton Valley Lime) Field is correlatively located within the designated field interval for the Bear Grass (Cotton Valley Cons) Field.
8. Consolidation of the Leviticus (Cotton Valley Lime) Field into the Bear Grass (Cotton Valley Cons) Field is appropriate.

**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 XTO Energy Inc is necessary to prevent waste and protect correlative rights.

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiners recommend that the Leviticus (Cotton Valley Lime) Field be consolidated into the Bear Grass (Cotton Valley Cons) Field.

Respectfully submitted,

Brian K. Fancher  
Technical Examiner

Marshall F. Enquist  
Legal Examiner