

**THE APPLICATION OF EOG RESOURCES, INC. TO AMEND THE CONSOLIDATED INTERVAL IN THE NUECES BAY DEEP CONSOLIDATED FIELD, SAN PATRICIO COUNTY, TEXAS**

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**Heard by:** Andres J. Trevino, P.E. on November 14, 2008

**Appearances:**

Doug Dashiell  
Kenneth Marbach

**Representing:**

EOG Resources, Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

EOG Resources requests that the correlative interval for the Nueces Bay Deep Consolidated Field be expanded to include additional productive sands. The correlative interval was first established in Oil and Gas Docket No. 04-0219171 approved on June 2, 1998. The interval was defined from 11,767 feet MD to 12,870 Feet MD as shown on the log of the Nueces Bay S.T. 688 Lease No. 1. EOG Resources proposes that the field be defined as the correlative interval between 9,590 feet TVD and 11,880 feet TVD as shown on the log of the State Tract 690/745 & 750 GU No. 2.

This application was unopposed and the examiner recommends approval of EOG Resources's request to expand the correlative interval for the field.

**DISCUSSION OF THE EVIDENCE**

The Nueces Bay Deep Consolidated Field was discovered in January 1998 upon completion of the Nueces Bay S.T. 688 Lease No. 1. The approved field interval is from 11,767 feet MD to 12,870 Feet MD as shown on the log of the discovery well. The field operates under Statewide Rules.

The November 2008 proration schedule indicates one active well in the field. EOG Resources operates all wells in the field. EOG Resources has recently completed four wells in the field which are not yet on the proration schedule. Cumulative production from the field is approximately 1.874 BCF of gas and 109,989 BC.

EOG Resources requests that the current field designation be expanded to include additional productive Frio sand intervals. The current interval includes the top of the Deep Frio sands. EOG Resources proposes adding additional productive Frio sands encountered

while drilling development wells to the field interval. The Nueces Bay Deep Consolidated Field may contain more than 15 reservoirs. These sands were found to be productive in wells currently being drilled to deeper depths.

EOG Resources estimates that the additional gas recovered as a result of commingling each additional Frio sand member will encourage additional drilling in the field. EOG Resources estimates an additional 91.25 MMCF of gas per completion will be recovered. The wells are directionally drilled from an onshore location and have steep production decline curves. The combined economic limit of each wellbore can be lowered by eliminating the cost of separate completions in each zone. Additionally, some zones would not be economic to produce as separate completions. All of the sands within the proposed correlative interval are Frio sands with similar reservoir and fluid properties. Approving the expanded interval will prevent the drilling of unnecessary wells.

#### **FINDINGS OF FACT**

1. Notice of this hearing was given to all operators of wells in the Nueces Bay Deep Consolidated Field at least ten days prior to the date of hearing.
2. The Nueces Bay Deep Consolidated Field was discovered in January 1998. The interval for the field is from 11,767 feet MD to 12,870 Feet MD as shown on the log of the Nueces Bay S.T. 688 Lease No. 1 as established in Oil and Gas Docket No. 04-0219171 approved on June 2, 1998.
3. Expansion of the correlative interval for the field to include additional productive Frio sands will maximize ultimate recovery by lowering the economic limit of the combined zones. Some zones would not be economic to produce as separate completions.
4. Expansion of the correlative interval for the field will not cause waste because the interval includes only Frio sands which have similar reservoir and fluid properties.
5. The Nueces Bay Deep Consolidated Field should be designated as the correlative interval from 9,590 feet TVD and 11,880 feet TVD as shown on the log of the State Tract 690/745 & 750 GU No. 2. This interval includes the current interval for the Nueces Bay Deep Consolidated Field and additional deeper productive Frio sands.
6. The wells are directionally drilled from an onshore location and have steep production decline curves. Approving the expanded interval will prevent the drilling of unnecessary wells.

**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. Expansion of the designated field interval as proposed by EOG Resources, Inc. is necessary to prevent waste and protect correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the Nueces Bay Deep Consolidated Field be defined as the correlative interval from 9,590 feet TVD and 11,880 feet TVD as shown on the log of the State Tract 690/745 & 750 GU Well No. 2.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Hearings Examiner