



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 04-0282142

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THE APPLICATION OF EOG RESOURCES, INC. TO AMEND RULES FOR THE  
KRB\ZUNI-NC (VXBG) FIELD, KLEBERG COUNTY, TEXAS

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HEARD BY: Andres J. Trevino, P.E. - Technical Examiner  
Marshall Enquist - Legal Examiner

HEARING DATE: May 20, 2013

APPEARANCES:

REPRESENTING:

APPLICANT:

Doug Dashiell  
Gary Travis

EOG Resources, Inc.

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### EXAMINER'S REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

EOG Resources, Inc. (EOG) requests that between well spacing for the KRB\Zuni-NC (VXBG) Field be amended. The statewide rules currently in effect for the field provide for a 467'-1,200' well spacing. A designated interval and a two factor allocation for the field was adopted effective October 2, 2001 in Final Order No. 04-0217266. EOG proposes the elimination of between wells spacing for the field. EOG requests the drilling unit remain at 40 acre units. This application was unopposed and the examiners recommend that the field rules for the KRB\Zuni-NC (VXBG) Field be amended as proposed by EOG Resources, Inc.

#### DISCUSSION OF EVIDENCE

The KRB\Zuni-NC (VXBG) Field was discovered in 1998 and was consolidated with the KRB\Zuni-NC (VXBG.M) Field in 2001. The field is a non-associated gas field. A total of 26 wells have been completed in the field with 14 currently producing. EOG currently operates 10 of the wells and there are two additional operators in the field.

The KRB\Zuni-NC (VXBG) Field is undergoing continued development with infill

drilling and has produced over 57.2 BCF of gas and 996.3 MB of condensate. The designated interval for the KRB\Zuni-NC (VXBG) Field includes the Vicksburg formation from a depth of 8,484 feet to 12,612 feet. The interval is over 4,000 feet thick and contains a net pay of approximately 400 feet. The Vicksburg is a thick marine deposited sequence of stacked shaley sands and sandy shales. Individual sand stringers are lenticular and vary for well to well. Some stringers are correlatable while others are not. Eliminating the between well spacing will allow operators in the field the flexibility to place wells between existing wells and penetrate undrained sand lenses and recover additional reserves. Eliminating the between well spacing will allow operators place wells at additional locations without the need for numerous Rule 37 exceptions. Retaining the 40 acre drilling units will allow infill drilling to recover additional reserves that would otherwise go unrecovered.

### FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. Field rules for the KRB\Zuni-NC (VXBG) Field provide for a correlative interval of 8,484' to 12,612', 467'-1,200' well spacing, 40 acre gas units and allocation based 50% deliverability and 50% per well.
3. There are currently 14 active wells producing from the field. A total of 57.2 BCF of gas and 996.3 MB of condensate has been produced from the field.
4. The KRB\Zuni-NC (VXBG) Field is undergoing continued development with infill drilling and has produced over 57.2 BCF of gas and 996.3 MB of condensate.
5. The designated interval for the KRB\Zuni-NC (VXBG) Field includes the Vicksburg formation from a depth of 8,484 feet to 12,612 feet. The interval is over 4,000 feet thick and contains a net pay of approximately 400 feet.
6. The Vicksburg is a thick marine deposited sequence of stacked shaley sands and sandy shales. Individual sand stringers are lenticular and vary for well to well. Some stringers are correlatable while others are not.
7. Eliminating the between well spacing will allow operators in the fields to place wells at additional locations to produce undrained lenticular sand deposits without the need for numerous Rule 37 exceptions.
8. Retaining the 40 acre units will allow infill drilling to recover additional reserves that would otherwise go unrecovered.

**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. Amending the field rules for the KRB\Zuni-NC (VXBG) Field is necessary to prevent waste, protect correlative rights and promote development of the field.

**RECOMMENDATION**

Based on the above findings and conclusions of law, the examiners recommend that the Commission amend the field rules for the KRB\Zuni-NC (VXBG) Field as proposed by EOG Resources, Inc.

Respectfully submitted,



Andres J. Trevino, P.E.  
Technical Examiner



Marshall Enquist  
Legal Examiner