

**OIL AND GAS DOCKET NO. 04-0276412**

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**THE APPLICATION OF EOG RESOURCES, INC. TO ADOPT FIELD RULES FOR THE T.-C.-B. 21 (B-1) NORTH FIELD, KLEBERG COUNTY, TEXAS**

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**HEARD BY:** Richard D. Atkins, P.E. - Technical Examiner  
Cecile Hanna - Legal Examiner

**HEARING DATE:** June 29, 2012

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Doug Dashiell  
Gary Travis

EOG Resources, Inc.

**EXAMINERS' REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

EOG Resources, Inc. ("EOG") requests that Field Rules for the T.-C.-B. 21 (B-1) North Field be adopted. EOG requests the following Field Rules:

1. Designation of the T.-C.-B. 21 (B-1) North Field as the correlative interval from 7,010 feet to 7,310 feet as shown on the log of the Exxon Mobil Corporation - King Ranch Tijerina Lease, Well No. E75 (API No. 42-273-30301);
2. 467'-0' well spacing;
3. 40 acre units;
4. MER Allowable of 3,300 barrels of oil per day.

The application is unopposed and the examiners recommend that Field Rules for the T.-C.-B. 21 (B-1) North Field be adopted, as proposed by EOG.

**DISCUSSION OF THE EVIDENCE**

The T.-C.-B. 21 (B-1) North Field was created by Final Order No. 4-64,446, effective December 1, 1974, with the consolidation of various fields. The average depth

is 7,100 feet and the field operates under Statewide Rules. There is one producing oil well and two operators carried on the proration schedule. The top oil allowable is a MER Allowable of 3,300 barrels of oil per day. Cumulative production from the field through May 2011 is 13.5 MMBO and 30.6 BCFG.

There is currently no defined correlative interval for the field. EOG requests that the T.-C.-B. 21 (B-1) North Field be defined as the correlative interval from 7,010 feet to 7,310 feet as shown on the log of the Exxon Mobil Corporation - King Ranch Tijerina Lease, Well No. E75 (API No. 42-273-30301), Section 243, SK&K Survey, A-225, Kleberg County, Texas. This interval includes all of the 21B Sand series. The primary drive mechanisms are solution gas drive and aquifer influx.

EOG is proposing to drill vertical infill wells based off of 3-D seismic surveys and requests Field Rules to promote the efficient and effective development of the remaining hydrocarbons. EOG requests 467'-0' well spacing and 40 acre density. EOG is drilling up-dip next to the sand pinch-out searching for unproduced attic oil. As a result, based on the 3-D seismic interpretation, infill wells may have to be placed very close to each other in some instances.

#### **FINDINGS OF FACT**

1. Notice of this application and hearing was provided to all persons entitled to notice at least ten (10) days prior to the date of the hearing.
2. The T.-C.-B. 21 (B-1) North Field was created by Final Order No. 4-64,446, effective December 1, 1974, with the consolidation of various fields.
  - a. The average depth is 7,100 feet and the field operates under Statewide Rules.
  - b. There is one producing oil well and two operators carried on the proration schedule.
  - c. The top oil allowable is a MER Allowable of 3,300 barrels of oil per day.
3. The T.-C.-B. 21 (B-1) North Field should be defined as the correlative interval from 7,010 feet to 7,310 feet as shown on the log of the Exxon Mobil Corporation - King Ranch Tijerina Lease, Well No. E75 (API No. 42-273-30301), Section 243, SK&K Survey, A-225, Kleberg County, Texas.
4. The T.-C.-B. 21 (B-1) North Field is actively being developed with vertical infill wells based off of 3-D seismic surveys.
5. Field Rules providing for 467'-0' well spacing and 40 acre density are

appropriate for the field.

- a. EOG is drilling up-dip next to the sand pinch-out searching for unproduced attic oil.
- b. Based on the 3-D seismic interpretation, infill wells may have to be placed very close to each other in some instances.
- c. The proposed Field Rules will provide consistency in developing the field and will allow greater flexibility in selecting future drilling locations.

**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. Adopting Field Rules for the T.-C.-B. 21 (B-1) North Field is necessary to prevent waste, protect correlative rights and promote development of the field.

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission adopt Field Rules for the T.-C.-B. 21 (B-1) North Field, as requested by EOG Resources, Inc.

Respectfully submitted,

Richard D. Atkins, P.E.  
Technical Examiner

Cecile Hanna  
Legal Examiner