



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL & GAS DOCKET NO. 02-0315482**

---

**APPLICATION OF ENCANA OIL & GAS (USA) INC. (251691) FOR PERMANENT GAS WELL RECLASSIFICATION FOR VARIOUS WELLS IN THE EAGLEVILLE (EAGLE FORD-2) AND SUGARKANE (EAGLEFORD) FIELDS, KARNES COUNTY, TEXAS**

---

**HEARD BY:** Petar Buva – Technical Examiner  
Kristi M. Reeve – Administrative Law Judge

**HEARING DATE:** November 12, 2018  
**RECORD CLOSED:** May 8, 2019  
**CONFERENCE DATE:** August 6, 2019

**APPEARANCES:** **REPRESENTING:**

**APPLICANT:**  
Doug J. Dashiell, Attorney  
James M. Clark, Engineer  
Encana Oil & Gas (USA)

### **EXAMINERS' REPORT AND RECOMMENDATION**

#### **STATEMENT OF THE CASE**

This is the application of Encana Oil & Gas (USA) Inc. ("Encana") to reclassify various wells in the Eagleville (Eagle Ford-2) Field and Sugarkane (Eagleford) Field, Karnes County, Texas. The application was not protested. The Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend approval of the application.

The special field rules for the Eagleville (Eagle Ford-2) Field, established by Final Order in Oil and Gas Docket No. 02-0297714, February 28, 2017, Rule 8, states that for any well in the field completed with the gas to oil ratio (GOR) of 3,000 cubic feet per barrel and above, the operator may elect to have such well permanently classified as a gas well, provided the GOR was determined by stabilized well test. Similarly, the Final Order in Oil and Gas Docket No. 02-0272551, January 10, 2012, established that all wells in the Sugarkane (Eagleford) Field with gas-oil ratio of 3,000 cubic feet per barrel and above can be permanently classified as gas wells, provided the GOR was determined by stabilized well test. Based on the field rules for the two subject fields Encana is requested permanent reclassification of 53 wells from oil to gas wells. On May 8, 2019, Encana

withdrew 19 wells from the application, after the staff contended that the data for those wells does not support reclassification.

Notice was given to the Service List in Oil and Gas Docket No. 02-0315482, which includes the operators in the Eagleville (Eagle Ford-2) Field and Sugarkane (Eagleford) Field, Karnes County, Texas. The application was not protested. The Examiners recommend that the permanent gas well classification be granted for the wells that meet the 2006 Commission Memo criteria.

### **DISCUSSION OF THE EVIDENCE**

Encana requested a hearing on October 3, 2018. A hearing was held on November 12, 2018. At the hearing Encana submitted evidence of well production in the first 180 days from the wells' inception. The initial application included 53 wells, 12 of which have been retracted from the application and were replaced by another 12 wells at the time of the hearing. Following the hearing supplemental notice was given to the operators on the Service List.

The 2006 Commission Memo outlines the paths to reach a gas well classification and states: "A well would be administratively classified as a gas well if the heptanes plus (C7+) mol percent of a compositional analysis is less than 11% [mol percent]. The change is supported by research published by Phillip L. Moses in the *Journal of Petroleum Technology* July 1986 *Engineering Applications of Phase Behavior of Crude Oil and Condensate Systems* and William D. McCain, Jr. in the *Properties of Petroleum Fluids Second Edition* © 1990." Although not part of the 2006 Commission Memo, research from Dr. Philip Moses (from 1986) and Dr. William D. McCain (from 1990 and 2011) indicate a heptane plus (C 7+) fraction of less than 11.5 mol percent will typically correlate to a Gas-Liquid Ratio (GLR) of about 3,000 to 3,300 cf/bbl as a differentiator between volatile oil and retrograde gas reservoir fluid types. Based on initial completion data from a well, permanent gas well classification has been granted for wells using the 2006 Commission Memo criteria with supporting documentation as outlined by Dr. McCain's and Dr. Moses' research.

Oil and Gas Docket No. 02-0297714, dated February 28, 2017, adopted special Field Rules for the Eagleville (Eagle Ford-2) Field. Rule 8 of the Field Rules states that for any well in the Eagleville (Eagle Ford-2) Field completed with a gas-oil ratio of 3,000 cubic feet per barrel and above, the operator may elect to have such well permanently classified as a gas well without the need for further administrative review, provided that the GOR was determined by a stabilized well test conducted within 180 days of well completion.

Oil and Gas Docket No. 02-0272551, dated January 10, 2012, states that all wells completed with oil to gas ratio of 3,000 cubic feet per barrel and above in the Sugarkane (Eagle Ford) Field are permanently classified as gas wells without the need of further administrative review, effective the date of initial completion.

Based on the field rules in Oil and Gas Docket Nos. 02-0297714 and 02-0272551, the Examiners assessed the well production data presented at the hearing. Upon the review of the data presented at the hearing the Examiners identified 19 wells that were

put on artificial lift within the first 180 days of production and as such did not meet the stabilized well test criteria. Encana was advised of that determination and in a May 8, 2019, letter withdrew the application for those 19 wells. The Examiners conclude the remaining 33 wells listed in Attachment A of this report meet the criteria for gas well classification based on the respective field rules and the data submitted as evidence and a such should be permanently reclassified as gas wells.

At the hearing, Encana agreed on the record that pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order will be final and effective on the date a Master Order relating to this Final Order is signed.

### **FINDINGS OF FACT**

1. Encana requests permanent reclassification of various oil wells in the Eagleville (Eagle Ford-2) Field and Sugarkane (Eagleford) Field, Karnes County, Texas, as gas wells.
2. Notice of this hearing was given to all parties entitled to notice at least ten days prior to the date of the hearing. No protests were received.
3. Encana requested a hearing in a letter sent to the Commission dated September 28, 2018.
4. The hearing was held on November 12, 2019.
5. At the hearing Encana retracted 12 wells from the application and added another 12 wells. The change in the application was reflected after the hearing in the supplemental notice given to the operators on the Service List under Oil & Gas Docket No. 02-0315482. No protests were received.
6. The gas well classification criteria was established in the Commission's memorandum ("2006 Commission Memo"), dated August 3, 2006, titled "Change in administrative determination policy for gas well classification."
7. Oil and Gas Docket No. 02-0297714 dated February 28, 2017, adopted special Field Rules for the Eagleville (Eagle Ford-2) Field, which includes Rule 8 that states "for any well in the Eagleville (Eagle Ford-2) Field completed with a gas-oil ratio of 3,000 cubic feet per barrel and above, the operator may elect to have such well permanently classified as a gas well without the need for further administrative review, provided that the GOR was determined by stabilized well test conducted within 180 days of well completion.
8. Oil and Gas Docket No. 02-0272551 dated January 10, 2012, states that all wells completed with an oil to gas ratio of 3,000 cubic feet per barrel and above in the Sugarkane (Eagle Ford) Field are permanently classified as gas wells without the need of further administrative review, effective the date of initial completion.
9. Encana was advised that wells that are put on artificial lift within the first 180 days of production do not meet the stabilized well test criteria. Based on that determination in

the May 8, 2019 letter to the Examiners Encana withdrew the application for the 19 wells outlined in the letter.

10. Encana agreed in writing or on the record that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), the Final Order will be final and effective on the date a Master Order relating to the Final Order is signed.

### **CONCLUSIONS OF LAW**

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code §81.051.
2. All notice requirements have been satisfied. 16 Tex. Admin. Code §1.42.
3. Pursuant to §2001.144 (a)(4)(A) of the Texas Government Code and the agreement of the applicant on the record or in writing, this Final Order is effective when a Master Order relating to the Final Order is signed by the Commissioners.

### **EXAMINERS' RECOMMENDATION**

Based on the above findings of facts and conclusions of law, the Examiners recommend permanent reclassification of wells listed in Attachment A of this report, in the Eagleville (Eagle Ford-2) and Sugarkane (Eagleford) Fields, Karnes County, Texas, to gas wells, as requested by Encana Oil & Gas (USA) Inc.

Respectfully submitted,



Petar Buva  
Technical Examiner



Kristi M. Reeve  
Administrative Law Judge

**Attachment A**

<b>Lease Name</b>	<b>Lease No. (Dist. 02)</b>	<b>Well No.</b>
Crews	11103	5H, 6H, 7H, 8H, 9H, 10H
Dromgoole "A"	09847	1H, 2H, 3H, 4H, 6H
Dromgoole "B"	09945	3H, 4H, 7H
Kotara-Ridley	11273	16H, 17H
Love	10791	3H
Monson	09924	1H, 2H, 4H, 5H, 9H
Nichols "A"	10477	2H
Sprencel "A"	09832	1H, 2H, 5H, 6H
Sprencel "B"	09922	1H
Wessendorf "A"	10483	2H, 3H, 4H, 5H, 6H, 7H