



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0317486

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APPLICATION OF XTO ENERGY INC. (945936) TO AMEND FIELD RULES FOR THE  
JORDAN WEST (WOLFCAMP) FIELD, CRANE COUNTY, TEXAS

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**HEARD BY:** Robert Musick, P.G. - Technical Hearings Examiner  
Jennifer Cook - Administrative Law Judge

**HEARING DATE:** February 22, 2019

**CONFERENCE DATE:** November 19, 2019

**APPEARANCES:**

**APPLICANT:**

David Gross , Attorney  
Rick Johnston, Engineer  
Noah Miller, Geologist  
Sarita Alca, Landman

**REPRESENTING:**

XTO Energy Inc.

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

XTO Energy Incorporated (945936) ("XTO" or "Applicant") seeks to amend the current oil and gas field rules in effect for the Jordan West (Wolfcamp) Field ("Field"), Crane County, Texas. Specifically, XTO requests to adopt a correlative interval from 6,962 feet to 7,232 feet in the Field; a between well spacing of 933 feet; a first and last take point of 330 feet for horizontal drainhole wells; a perpendicular distance of 467 feet for horizontal drainhole wells; and a no maximum diagonal limitation for the Field. In addition, XTO agreed to eliminate any duplicative rules in the field rules that are already part of the Statewide Rules, specifically requirements of Statewide Rule 86.

Notice was given to operators in the Field. The application was not protested. The Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend approval of the amended field rules as set out in the Final Order.

#### DISCUSSION OF THE EVIDENCE

XTO requested a hearing on December 12, 2018, to consider amending the field rules for the Jordan West (Wolfcamp) Field (Field No. 47274800). A Notice of Hearing was issued by the Railroad Commission of Texas on January 24, 2019, to operators in in

the Field at least ten days prior to the date of the hearing. A hearing was held on February 22, 2019. Late submitted information was filed on June 28, 2019 which closed the hearing record. There were no protests.

XTO is seeking to amend the existing field rules with the following changes:

- Between well spacing adjusted from 1,320 feet to 933 feet;
- Correlative interval established from 6,962 feet to 7,232 feet for the Field. XTO proposes the following correlative interval:
  - The entire correlative interval from 6,962 feet to 7,232 feet as shown on the log of the XTO Energy Inc. Connell W E NCT-2 Well No. 172 (API No. 42-135-3369300), Crane County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Jordan West (Wolfcamp) Field. This designated correlative vertical interval includes the entire Wolfcamp Formation extending from the base of the Wichita Albany to the top of the Woodford Shale;
- First and last take point distance established at 330 feet from the horizontal drainhole well;
- Perpendicular distance established at 467 feet from the horizontal drainhole well to any take point on any property line, lease line, or subdivision line; and
- Diagonal maximum length adjusted from 3,500 feet to no maximum diagonal limitation in the Field.

XTO is seeking no changes to:

- Drilling and Proration Unit: 80 acres;
- Tolerance Acres: 40 acres; and
- Vertical well lease line spacing: 467 feet.

XTO requested a Statewide Rule 13(b) – tubing exception at the hearing but withdrew the request in correspondence dated June 28, 2019. In addition, XTO agreed in the hearing to remove duplicative Statewide Rule 86 requirements from the proposed Field Rule.

The Field was discovered in August 1982 and permanent field rules were adopted on July 30, 1984 with the depth to the target zone established at 7,022 feet.

The February 2019 proration schedule shows two active wells, with one of the two wells being shut-in. Since 1994, only one well has been producing from the Field. The proration schedule also indicates the actively producing vertical well in the Field has a five-barrel allowable.

A total of five vertical wells have been completed in the Field since discovery, with no horizontal drainhole well completed at the time of the hearing. Accumulative oil production for the Field is approximately 307 million barrels of oil ("MMbo") and 139 million cubic feet ("MMcf") of gas. The current operators in the Field are Cross Timbers Energy, LLC and Pitts Energy Co. The Pitts Energy Co. has the only actively producing well in the Field with 208.4 thousand barrels of oil ("MBO") produced from 1982 to present. XTO has lease acreage in the Field but currently has no wells. XTO is scheduled to install a series of a horizontal drainhole wells in the Field. The proposed correlative interval will be protective of correlative rights of lease and mineral interest owners. The requested changes in well spacing with promote horizontal drainhole development in a Field where historically only vertical wells have been completed with limited success. The requested field rule changes will increase recovery of resources and prevent waste.

The Examiners recommend granting the amended Field rule language as presented in the proposed Final Order. At the hearing, XTO agreed on the record that the Final Order in this case is to be final and effective when the Master Order relating to the Final Order is signed.

#### **FINDINGS OF FACT**

1. XTO Energy Incorporated (945936) ("XTO" or "Applicant") seeks to amend the current oil and gas field rules in effect for the Jordan West (Wolfcamp) Field ("Field"), Crane County, Texas.
2. XTO requested a hearing on December 12, 2018, to consider amending the Field Rules for the Jordan West (Wolfcamp) Field.
3. A Notice of Hearing was issued by the Commission on January 24, 2019, to operators in in the Field at least ten days prior to the date of the hearing. The application was not protested.
4. A hearing was held on February 22, 2019. Late submitted information was filed on June 28, 2019 which closed the hearing record.
5. The Jordan West (Wolfcamp) Field was discovered in August 1982 and permanent Field Rules were adopted on July 30, 1984 with the depth to the target zone established at 7,022 feet.
6. The February 2019 proration schedule shows two active wells, with one of the two wells being shut-in. Since 1994, only one well has been producing in the Field. The proration schedule also indicates the actively producing vertical well in the Field has a five-barrel allowable.
7. Accumulative oil production for the Feld is approximately 307 MMbo and 139 MMcf of gas.
8. XTO is seeking to amend the existing field rules with the following changes:
  - Between well spacing adjusted from 1,320 feet to 933 feet;

- Correlative interval established from 6,962 feet to 7,232 for the Field. XTO proposed the following correlative interval:
    - The entire correlative interval from 6,962 feet to 7,232 feet as shown on the log of the XTO Energy Inc. Connell W E NCT-2 Well No. 172 (API No. 42-135-3369300), Crane County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Jordan West (Wolfcamp) Field. This designated correlative vertical interval includes the entire Wolfcamp Formation extending from the base of the Wichita Albany to the top of the Woodford Shale.
  - First and last take point distance established at 330 feet from the drainhole for a horizontal drainhole well to any take point on any property line, lease line, or subdivision line;
  - Perpendicular distance established at 467 feet from the horizontal drainhole well to any take point on any property line, lease line, or subdivision line; and
  - Diagonal maximum length adjusted from 3,500 feet to no maximum diagonal limitation in the Field.
9. XTO is scheduled to install a series of a horizontal drainhole wells in the Field. The proposed correlative interval will be protective of correlative rights of lease and mineral interest owners and the changes in well spacing will promote horizontal drainhole development in a Field. The proposed Field rule modifications will be protective of correlative rights, increase recovery of resources and prevent waste.
10. The Examiners recommend granting the amended Field rule language as presented in the proposed Final Order.
11. At the hearing, XTO agreed on the record that the Final Order in this case is to be final and effective when the 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. The requested changes to the field rules will allow horizontal drainhole wells to be completed in the Field and prevent waste and protect correlative rights.

4. Pursuant to § 2001.144 (a)(4)(A) of the Texas Government Code and the agreement of the applicant on the record, this Final Order can be final and effective when the Master Order relating to the Final Order is signed by the Commissioners.

**EXAMINER'S RECOMMENDATION**

Based on the above findings of facts and conclusions of law, the Examiners recommend approval of the requested field amendment as drafted in the proposed Final Order.

Respectfully submitted,



Robert Musick  
Technical Hearings Examiner



Jennifer Cook  
Administrative Law Judge