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# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 08-0323421**

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**APPLICATION OF EOG RESOURCES, INC. (253162) FOR PERMANENT GAS WELL CLASSIFICATIONS FOR VARIOUS LEASES AND WELLS, PHANTOM (WOLFCAMP) FIELD, LOVING COUNTY, TEXAS**

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**OIL AND GAS DOCKET NO. 08-0323332**

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**APPLICATION OF EOG RESOURCES, INC. (253162) FOR PERMANENT GAS WELL CLASSIFICATIONS FOR VARIOUS LEASES AND WELLS, SANDBAR (BONE SPRING) FIELD, LOVING COUNTY, TEXAS**

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

**HEARING DATE:** November 21, 2019

**CONFERENCE DATE:** April 21, 2020

**APPEARANCES:**

**APPLICANT:**

James M. Clark, P.E.  
Kay Maddox, Regulatory Specialist

**REPRESENTING:**

EOG Resources, Inc.

**EXAMINERS' REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

EOG Resources, Inc. ("EOG") (Operator No. 253162) is seeking permanent gas well classification for wells on various leases in the Phantom (Wolfcamp) and Sandbar (Bone Spring) Fields (collectively, "Subject Fields"), in Loving County, Texas. EOG requested in their applications under the Oil & Gas Docket Nos. 08-0323421 and 08-0323332 (collectively, "Captioned Dockets") to retroactively reclassify 36 oil wells in the Subject Fields based on a gas-oil ratio of 3,000 cubic feet per barrel ("cf/bbl"), established by the Field Rules.

Notice was given to the Service List on October 22, 2019, which included the operators in the Phantom (Wolfcamp) Field and the Sandbar (Bone Spring) Field in Loving County, Texas. The applications were not protested. The Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend that the permanent gas well classification be granted for 35 of the 36 Subject Wells that achieved the 3,000 cf/bbl requirement of the Field Rules.

**DISCUSSION OF THE EVIDENCE**

EOG requested a hearing be scheduled in letters sent to the Commission dated September 27, 2019 and on October 2, 2019. The Hearings Division issued a Notice of Hearing

("Notice") to the Service List on October 22, 2019. A hearing was held on November 21, 2019, for the Captioned Dockets to consider EOG's request to reclassify approximately 36 oil wells to gas wells from the Subject Fields.

Wells Discussed in the Hearing for Reclassification

In the hearing, Jim Clark, P.E., representing EOG, testified that 23 wells associated with the Sandbar (Bone Spring) Field and 13 wells associated with the Phantom (Wolfcamp) Field, stabilized within 180-days of initial production and achieved the 3,000:1 GOR required by the Field Rules. In the hearing, data for each oil well was presented as evidence to support the assertion that the wells met gas well criteria. The data included the well name and number; the well's completion date; the well test date, the oil, gas and water volumes per day; the initial well production from the W-2 Form; the date when artificial lift was initiated for each well; and a graph showing the relationship and potential stabilization of oil, gas and water over a 180-day period required for these cases. In addition, an excel spreadsheet was submitted as a late-filed exhibit to support the graph and tables presented in the hearing.

The Examiners assessed the following wells in the table below that were completed in the Sandbar (Bone Spring) Field under O&G Docket No. 08-0323332 for reclassification from oil to gas wells.

**Sandbar (Bone Spring) Field Wells Proposed for Reclassification**

<b>Lease Name / Well No.</b>	<b>RRC Lease No.</b>	<b>API No.</b>	<b>Status</b>	<b>Review</b>
Orion A 5 #1HR	50950	42-301-33974	Presented in Hearing	Met Rule Requirements
Orion A 5 #2H	50950	42-301-33928	Presented in Hearing	Met Rule Requirements
Orion B 5 #3H	51219	42-301-33929	Presented in Hearing	Met Rule Requirements
Orion B 5 #4H	51219	42-301-33930	Presented in Hearing	Met Rule Requirements
Orion B 5 #5H	51219	42-301-33931	Presented in Hearing	Met Rule Requirements
State Viking E #13H	50677	42-301-33715	Withdrawn by Applicant	Withdrawn
State Viking E #14H	50677	42-301-33716	Presented in Hearing	Met Rule Requirements
State Viking E #15H	50677	42-301-33717	Presented in Hearing	Met Rule Requirements
State Viking E #16H	50677	42-301-33718	Presented in Hearing	Met Rule Requirements
State Viking E #17H	50677	42-301-33719	Presented in Hearing	Met Rule Requirements
State Viking E #18H	50677	42-301-33720	Presented in Hearing	Met Rule Requirements
State Viking E #19H	50677	42-301-33721	Presented in Hearing	Met Rule Requirements
State Viking E #21H	50677	42-301-33727	Presented in Hearing	Met Rule Requirements
State Viking E #22H	50677	42-301-33728	Presented in Hearing	Met Rule Requirements

Lease Name / Well No.	RRC Lease No.	API No.	Status	Review
State Viking E #5H	50677	42-301-33360	Presented in Hearing	Met Rule Requirements
State Viking E #6H	50677	42-301-33361	Presented in Hearing	Met Rule Requirements
State Viking E #7H	50677	42-301-33362	Presented in Hearing	Met Rule Requirements
State Viking E #8H	50677	42-301-33363	Presented in Hearing	Met Rule Requirements
Voyager W #9H	TBD	42-301-34191	Presented in Hearing	Met Rule Requirements
Voyager W #10H	TBD	42-301-34192	Presented in Hearing	Met Rule Requirements
Voyager W #11H	TBD	42-301-34193	Presented in Hearing	Met Rule Requirements
Voyager W #12H	TBD	42-301-34194	Presented in Hearing	Met Rule Requirements
Voyager W #13H	TBD	42-301-34195	Presented in Hearing	Met Rule Requirements
Voyager W #14H	TBD	42-301-34196	Presented in Hearing	Met Rule Requirements

The Examiners assessed the following wells in the table below that were completed in the Phantom (Wolfcamp) Field under O&G Docket No. 08-0323421 for reclassification from oil to gas wells:

#### Phantom (Wolfcamp) Field Wells Proposed for Reclassification

Lease Name / Well No.	RRC Lease No.	API No.	Status	Review
Apollo 7 #4H	47326	42-301-33395	Presented in Hearing	Met Rule Requirements
Apollo 7 #5H	47326	42-301-33397	Presented in Hearing	Met Rule Requirements
Apollo 7 #6H	47326	42-301-33398	Presented in Hearing	Met Rule Requirements
Apollo 7 #7H	47326	42-301-33399	Presented in Hearing	Met Rule Requirements
Apollo 7 #8H	47326	42-301-33400	Presented in Hearing	Met Rule Requirements
Apollo 7 #9H	47326	42-301-33401	Presented in Hearing	Met Rule Requirements
Apollo 7 #10H	47326	42-301-33402	Presented in Hearing	Met Rule Requirements
Apollo 7 #11H	47326	42-301-33403	Presented in Hearing	Met Rule Requirements
State Atlantis 7 Unit #1H	52207	42-301-34167	Withdrawn at Hearing	Withdrawn
State Atlantis 7 Unit #2H	52207	42-301-34168	Presented in Hearing	Met Rule Requirements

Lease Name / Well No.	RRC Lease No.	API No.	Status	Review
State Atlantis 7 Unit #3H	52207	42-301-34169	Presented in Hearing	Met Rule Requirements
State Atlantis 7 Unit #4H	52207	42-301-34170	Presented in Hearing	Met Rule Requirements
State Atlantis 7 Unit #5H	TBD	42-301-34171	Presented in Hearing	Does Not Meet
State Pathfinder 7 #27H	47249	42-301-33210	Presented in Hearing	Met Rule Requirements

A review of the data based on the criteria established by the Field Rule identify that 35 of the 36 Subject Wells presented for reclassification in the hearing achieved the 3,000 cf/bbl requirement of the Field Rules. It was determined that the wells oil, gas, and water stabilized and a GOR exceeding the Field Rule was demonstrated. Therefore, the Examiners recommend reclassification of the wells that met the Field Rule criteria.

At the hearing, the applicant agreed on the record that the Final Order in this case is to be final and effective when the Master Order is signed.

### **FINDINGS OF FACT**

1. EOG Resources, Inc. ("EOG") (Operator No. 253162) is seeking permanent gas well classification for wells on various leases in the Phantom (Wolfcamp) and Sandbar (Bone Spring) Fields (collectively, "Subject Fields") in Loving County, Texas.
2. EOG requested a hearing be scheduled in letters sent to the Commission dated September 27, 2019 and on October 2, 2019.
3. EOG requested to retroactively reclassify 36 oil wells in the Subject Fields based on a gas-oil ratio of 3,000 cubic feet per barrel ("cf/bbl").
4. The Hearings Division issued a Notice of Hearing ("Notice") to the Service List on October 22, 2019, which included the operators in the Phantom (Wolfcamp) Field and the Sandbar (Bone Spring) Field. No protests were received.
5. A hearing was held on November 21, 2019, for the Captioned Dockets to consider EOG's request to reclassify approximately 36 oil wells to gas wells from the Subject Fields.
6. EOG represented evidence regarding 23 wells associated with the Sandbar (Bone Spring) Field and 13 wells associated with the Phantom (Wolfcamp) Field. Evidence included data demonstrating oil and gas stabilization within a 180-day period of initial production.
7. Data for each oil well was presented as evidence to support the assertion that the wells met gas well criteria. The data included the well name and number; the well's completion date; the well test date, the oil, gas and water volumes per day; the initial well production from the W-2 Form; the date when artificial lift was initiated for each well; and a graph showing the relationship and potential stabilization of oil, gas and water over a 180-day period required for these cases. In addition, an excel spreadsheet was submitted as a late-filed exhibit to support the graph and tables presented in the hearing.

8. A review of the data based on the criteria established by the Field Rule identify that 35 of the 36 Subject Wells presented for reclassification in the hearing achieved the 3,000 cf/bbl requirement of the Field Rules. It was determined that the wells oil, gas, and water stabilized and a GOR exceeding the Field Rule was demonstrated. Therefore, the Examiners recommend reclassification of the wells that met the Field Rule criteria.
9. At the hearing, the applicant agreed on the record that the Final Order in this case is to be final and effective when the Master 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, this Final Order is effective when a Master Order relating to the Final Order is presented at Commission conference and signed by the Commissioners.

**EXAMINERS' RECOMMENDATION**

Based on the above findings of facts and conclusions of law, the Examiners recommend reclassification of 35 producing wells to gas wells as established in Attachment A.1 and A.2.

Respectfully submitted,

DocuSigned by:  
  
5AF475FC6487453  
Robert Musick  
Technical Hearings Examiner

  
Charles Zhang  
Administrative Law Judge

**ATTACHMENT A.1 - Wells Meeting Gas Well Classification After Technical Review****Sandbar (Bone Spring) Field Wells Proposed for Reclassification**

<b>Lease Name / Well No.</b>	<b>RRC Lease No.</b>	<b>API No.</b>	<b>Status</b>	<b>Review</b>
Orion A 5 #1HR	50950	42-301-33974	Presented in Hearing	Met Rule Requirements
Orion A 5 #2H	50950	42-301-33928	Presented in Hearing	Met Rule Requirements
Orion B 5 #3H	51219	42-301-33929	Presented in Hearing	Met Rule Requirements
Orion B 5 #4H	51219	42-301-33930	Presented in Hearing	Met Rule Requirements
Orion B 5 #5H	51219	42-301-33931	Presented in Hearing	Met Rule Requirements
State Viking E #14H	50677	42-301-33716	Presented in Hearing	Met Rule Requirements
State Viking E #15H	50677	42-301-33717	Presented in Hearing	Met Rule Requirements
State Viking E #16H	50677	42-301-33718	Presented in Hearing	Met Rule Requirements
State Viking E #17H	50677	42-301-33719	Presented in Hearing	Met Rule Requirements
State Viking E #18H	50677	42-301-33720	Presented in Hearing	Met Rule Requirements
State Viking E #19H	50677	42-301-33721	Presented in Hearing	Met Rule Requirements
State Viking E #21H	50677	42-301-33727	Presented in Hearing	Met Rule Requirements
State Viking E #22H	50677	42-301-33728	Presented in Hearing	Met Rule Requirements
State Viking E #5H	50677	42-301-33360	Presented in Hearing	Met Rule Requirements
State Viking E #6H	50677	42-301-33361	Presented in Hearing	Met Rule Requirements
State Viking E #7H	50677	42-301-33362	Presented in Hearing	Met Rule Requirements
State Viking E #8H	50677	42-301-33363	Presented in Hearing	Met Rule Requirements
Voyager W #9H	TBD	42-301-34191	Presented in Hearing	Met Rule Requirements
Voyager W #10H	TBD	42-301-34192	Presented in Hearing	Met Rule Requirements
Voyager W #11H	TBD	42-301-34193	Presented in Hearing	Met Rule Requirements
Voyager W #12H	TBD	42-301-34194	Presented in Hearing	Met Rule Requirements
Voyager W #13H	TBD	42-301-34195	Presented in Hearing	Met Rule Requirements
Voyager W #14H	TBD	42-301-34196	Presented in Hearing	Met Rule Requirements

Note: The utilized O&G Docket No. 08-0275393, Rule 6 dated June 12, 2012 for reclassification of oil to gas wells.

**ATTACHMENT A.2****Wells Meeting Gas Well Classification After Technical Review****Phantom (Wolfcamp) Field Wells Proposed for Reclassification**

<b>Lease Name / Well No.</b>	<b>RRC Lease No.</b>	<b>API No.</b>	<b>Status</b>	<b>Review</b>
Apollo 7 #4H	47326	42-301-33395	Presented in Hearing	Met Rule Requirements
Apollo 7 #5H	47326	42-301-33397	Presented in Hearing	Met Rule Requirements
Apollo 7 #6H	47326	42-301-33398	Presented in Hearing	Met Rule Requirements
Apollo 7 #7H	47326	42-301-33399	Presented in Hearing	Met Rule Requirements
Apollo 7 #8H	47326	42-301-33400	Presented in Hearing	Met Rule Requirements
Apollo 7 #9H	47326	42-301-33401	Presented in Hearing	Met Rule Requirements
Apollo 7 #10H	47326	42-301-33402	Presented in Hearing	Met Rule Requirements
Apollo 7 #11H	47326	42-301-33403	Presented in Hearing	Met Rule Requirements
State Atlantis 7 Unit #1H	52207	42-301-34167	Withdrawn at Hearing	Not Applicable
State Atlantis 7 Unit #2H	52207	42-301-34168	Presented in Hearing	Met Rule Requirements
State Atlantis 7 Unit #3H	52207	42-301-34169	Presented in Hearing	Met Rule Requirements
State Atlantis 7 Unit #4H	52207	42-301-34170	Presented in Hearing	Met Rule Requirements
State Atlantis 7 Unit #5H	TBD	42-301-34171	Presented in Hearing	Does Not Meet
State Pathfinder 7 #27H	47249	42-301-33210	Presented in Hearing	Met Rule Requirements

Note: The utilized O&G Docket Nos. 08-0295559 & 08-0303885, Rule 5 dated August 1, 2017 for reclassification of oil to gas wells.