

OIL AND GAS DOCKET NO. 01-0250766

**THE APPLICATION OF EXXON MOBIL CORPORATION TO BALANCE THE
DILWORTH (EDWARDS LIME) FIELD, MCMULLEN COUNTY, TEXAS**

Heard by: Donna K. Chandler, Technical Examiner

Hearing Date: March 28, 2007

Appearances:

Representing:

Tim George
William T. Duncan

Exxon Mobil Corporation

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Exxon Mobil Corporation requests that the Dilworth (Edwards Lime) Field be balanced. This application was unopposed and the examiner recommends approval.

DISCUSSION OF THE EVIDENCE

The Dilworth (Edwards Lime) Field was discovered in 1957 at a depth of approximately 10,500 feet. The field is a non-associated prorated gas field which operates under rules providing for 660'-1,320' well spacing, 80 acre density and allocation based on 100% acreage. There are 3 operators in the field with 9 wells. Exxon operates 7 of the wells. Pioneer Natural Resources USA has one producing well and Quantum Resources Management has one producing well. Pioneer waived objection to field balancing; Quantum did not respond to Exxon's request for waiver but did not appear at the hearing.

In December 2005, the total reservoir market demand for the field was only 45,741 MCF, down from 120,000-140,000 MCF in previous months. The lower allowable in December 2005 resulted from field production of only 66,516 MCF in September 2005. A large forecast adjustment factor was applied for December 2005, resulting in the much lower reservoir market demand and allowable for the field. Since the low production month in September 2005, production has consistently been 120,000-140,000 MCF per month.

Exxon's J. C. Dilworth Jr. No. 9 is the only prorated well in the field. This well accumulated 45,399 MCF of overproduction in December 2005 and is currently overproduced approximately 65,000 MCF. Exxon has five wells in the field with underproduction.

Pioneer Natural Res. USA operates the George Sealy Est. No. 1. This well had accumulated over 91,000 MCF of underproduction due to non-production for several months. This well was just returned to production in February 2007.

FINDINGS OF FACT

1. Notice was issued to all affected persons at least ten (10) days prior to the date of the hearing. The hearing was unopposed.
2. The Dilworth (Edwards Lime) Field is a non-associated gas field which was discovered in 1957 at a depth of approximately 10,500 feet.
3. There are 3 operators in the field with 9 wells. Exxon operates 7 of the wells. Pioneer Natural Resources USA has one producing well and Quantum Resources Management has one producing well. Pioneer waived objection to field balancing; Quantum did not respond to Exxon's request for waiver but did not appear at the hearing.
4. As a result of the decreased production from the field in September 2005, a large forecast adjustment factor was applied in December 2005, resulting in a substantially reduced field allowable of only 45,741 MCF, down from 120,000-140,000 MCF in previous months.
5. Exxon's J. C. Dilworth Jr. No. 9 is the only prorated well in the field. This well accumulated 45,399 MCF of overproduction in December 2005 and is currently overproduced approximately 65,000 MCF.
6. Pioneer Natural Res. USA operates the George Sealy Est. No. 1, which had accumulated over 91,000 MCF of underproduction due to non-production for several months.

CONCLUSIONS OF LAW

1. Proper notice was timely issued to all persons legally entitled to notice.
2. All things have been accomplished to give the Commission jurisdiction in this matter.

3. Balancing the Dilworth (Edwards Lime) Field will not harm correlative rights and will not cause waste.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that the Dilworth (Edwards Lime) Field be balanced.

Respectfully submitted,

Donna K. Chandler
Technical Examiner