

August 22, 2005

**OIL AND GAS DOCKET NO. 08-0243376**

---

**APPLICATION OF EXXON MOBIL CORPORATION TO CONSIDER BALANCING THE  
BLOCK 16 (DEVONIAN) FIELD, WARD COUNTY, TEXAS**

---

**HEARD BY:** Thomas H. Richter, P.E.

**DATE OF HEARING:** August 19, 2005

**APPEARANCES:**

**REPRESENTING:**

**Applicant:**

Tim George, attorney  
William T. Duncan, Jr.

Exxon Mobil Corporation

**EXAMINER'S REPORT AND RECOMMENDATION**  
**STATEMENT OF THE CASE**

This is the unopposed application of Exxon Mobil Corporation for the Commission to consider balancing the Block 16 (Devonian) Field. The examiner recommends approval.

**DISCUSSION OF THE EVIDENCE**

The Block 16 (Devonian) Field was discovered in 1968 at approximately 13,100' subsurface depth. Special field rules provide for 640 acre and optional 160 acre density and a 100% acreage allocation formula. The field is classified as a Non-Associated-Prorated Field. Three of Exxon's wells are over-produced and five wells are under-produced. BP America has one well that is under-produced.

The Mobil Producing Hill Unit 1U and Hill Unit 2U are the most over produced. Commencing in July 2004 through October 2004, the Commission issued a Forecast Correction Adjustment that in effect decreased the allowable for each well by  $\pm 50\%$ . The allowable for the Hill Unit 1U decreased from  $\pm 31,000$  MCFM to  $\pm 17,000$  MCFM and for the Hill Unit 2U from  $\pm 28,000$  MCFM to  $\pm 16,500$  MCFM. Commencing November 2004, the assigned allowables were more in sync with the production. Though Mobil has been curtailing its wells, the overage has now gone through two balancing periods and pursuant to the Commission's balancing rules, are now subject to shut-in for failure to balance through two periods. In order to assist the Commission balancing system, balancing the over-production/under-production in the field is the best remedy in the system more accurately setting allowables without the need for monthly adjustments.

Other operators in the field agreed to provide letters of waiver to balance the field except

BTA Oil Producers whose well is listed as T.A. (temporarily abandoned). However, BTA advised that it would not protest the application either.

All operators in the subject field were notified of the subject proposal to balance the field and no protest was received. Exxon Mobil requests that the balancing be made effective October 1, 2005.

**FINDINGS OF FACT**

1. Notice of this hearing was sent to all operators in the subject field at least ten (10) days prior to the subject hearing.
2. There was no protest at the call of the hearing.
3. The Block 16 (Devonian) Field was discovered in 1968 at approximately 13,100' subsurface depth.
  - a. Special field rules provide for 640 acre and optional 160 acre density and a 100% acreage allocation formula.
  - b. The field is classified as a Non-Associated-Prorated Field and is a multi-operator multi-well field.
4. Balancing the Block 16 (Devonian) Field will not cause waste nor harm correlative rights.
  - a. The Commission issued a Forecast Correction Adjustment that in effect decreased the allowable for each well by  $\pm 50\%$  commencing in July 2004 through October 2004.

**CONCLUSIONS OF LAW**

1. Proper notice was given to all parties as set out in the provisions of all applicable codes and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Balancing the Block 16 (Devonian) Field will not cause waste nor harm correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions of law, the examiner recommends approval of balancing the Block 16 (Devonian) Field.

Respectfully submitted,

Thomas H. Richter, P.E.  
Technical Examiner  
Office of General Counsel