

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL & GAS DOCKET
NO. 09-0280638**

**IN THE NEWARK, EAST AND ST. JO
RIDGE (BARNETT SHALE) FIELDS,
COOKE COUNTY, TEXAS**

FINAL ORDER

After statutory notice in the above-numbered docket heard on April 2, 2013, the Railroad Commission of Texas makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. EOG Resources, Inc. (P-5 Operator No. 253162) requests a Railroad Commission of Texas certification that wells completed in the Newark, East and St. Jo Ridge (Barnett Shale) Fields (Field Nos. 65280 200 and 79656 050, respectively), Cooke County, Texas, are completed in a high-cost/tight-gas formation pursuant to Statewide Rule 101.
2. Notice of the application was provided to all affected parties at least 21 days prior to the Commission review. No protests or comments were filed in response to this application.
3. The top of the applied for Barnett Shale formation at an average depth of 7,933 feet is found within the correlative geologic interval from 7,720 feet to 8,920 feet as shown on the log of the Rife Energy Operating, Inc. - Muncaster Lease, Well No. 2 (API No. 42-097-33683), Newark, East and St. Jo Ridge (Barnett Shale) Fields (Field Nos. 65280 200 and 79656 050, respectively), Cooke County, Texas, shown on EOG Resources, Inc. - Exhibit No. 21.
4. The proposed correlative interval is consistent with the type log for the Newark, East (Barnett Shale) Field (Field No. 65280 200), that found the Barnett Shale formation within the correlative geologic interval from 6,672 feet to 7,166 feet as shown on the log of the Devon Energy Production Co, LP - W. C. Young Lease, Well No. 2 (API No. 42-497-32613), Newark, East (Barnett Shale) Field (Field No. 65280 200), Wise County, Texas, shown on EOG Resources, Inc. - Exhibit Nos. 14 and 21.
5. The proposed correlative interval for the field, within the requested area of the application, meets the Railroad Commission Statewide Rule 101 guidelines for a high cost/tight gas formation.
 - a. 16 TAC §3.101(f)(3)(B) specifies that the in-situ horizontal permeability should not exceed 0.1 millidarcies, as determined by geometric mean or median methodology, in order to qualify as a high cost/tight gas formation.

- b. The proposed Barnett Shale tight gas interval averages 1,200 feet in gross thickness within Cooke County; ten (10) wells have penetrated, tested and/or produced from the proposed tight gas interval within the requested area; formation in-situ permeability was calculated for the wells from analysis of single point flow data tests; the average calculated formation permeability is 0.00043 millidarcies; the calculated formation in-situ permeability for the data-point wells is less than the 0.1 millidarcies limit imposed by 16 TAC §3.101(f)(3)(B).
 - c. 16 TAC §3.101(f)(3)(B) specifies that the stabilized, pre-stimulation producing rate against atmospheric pressure, as determined by geometric-mean or median methodology, must not be expected to exceed 5 BOPD crude oil and 336 MCFGPD for vertical wells completed in the subject field interval.
6. The average calculated pre-stimulation stabilized absolute open flow rate for the wells completed in the requested field interval is 12 MCFGPD; the stabilized absolute open flow rate for the wells were calculated using a modified Darcy Radial Flow equation, the net feet of vertical pay at the respective well locations and the calculated in-situ permeability value; wells completed in the subject field and located within the proposed area are not expected to produce more than 5 BOPD crude oil and 336 MCFGPD prior to stimulation.

CONCLUSIONS OF LAW

1. Proper notice was issued to all affected persons as required by the applicable codes and regulatory statutes.
2. The Railroad Commission of Texas is the appropriate agency to make a determination concerning a high cost/tight gas formation certification pursuant to 16 TAC §3.101.
3. The proposed Newark, East and St. Jo Ridge (Barnett Shale) Fields (Field Nos. 65280 200 and 79656 050, respectively) in Cooke County, Texas, comply with the provisions of 16 TAC §3.101(f)(3)(B) and the Commission determines that wells completed in the subject field within said area are producing from a high cost/tight gas formation.
4. Gas produced from wells completed in the Newark, East and St. Jo Ridge (Barnett Shale) Fields (Field Nos. 65280 200 and 79656 050, respectively), Cooke County, Texas, is a high cost/tight formation gas pursuant to 16 TAC §3.101.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that effective April 2, 2013, the application of EOG Resources, Inc. for the Commission's certification that the Barnett Shale formation within the correlative geologic interval from 7,720 feet to 8,920 feet as shown on the log of the Rife Energy Operating, Inc. - Muncaster Lease, Well No. 2 (API No. 42-097-33683), Newark, East and St. Jo Ridge (Barnett Shale) Fields (Field Nos. 65280 200 and 79656 050, respectively), in the entirety of Cooke County, Texas, be designated a tight gas formation and therefore produces high cost gas pursuant to 16 TAC §3.101, be and is hereby approved.

Done this 7th day of May, 2013.

RAILROAD COMMISSION OF TEXAS

**(Approved and signatures affixed by
Hearings Divisions' Unprotested Master
Order dated May 7, 2013)**