

**THE APPLICATION OF BANNER OPERATING, LLC TO CONSIDER AUTHORITY  
PURSUANT TO STATEWIDE RULE 23 FOR ALL WELLS IN THE FUNK (SAN ANDRES)  
FIELD, IRION AND TOM GREEN COUNTIES, TEXAS**

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**HEARD BY:** Richard D. Atkins, P.E. - Technical Examiner

**DATE OF HEARING:** March 10, 2011

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Keith B. Masters

Banner Operating, LLC

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Banner Operating, LLC ("Banner") requests authority to pull up to 30 inches of mercury vacuum on all wells in the Funk (San Andres) Field. All operators in the subject field were notified of the hearing and there were no objections filed and no protestant appeared at the hearing.

This application was unopposed and the examiner recommends approval.

**DISCUSSION OF THE EVIDENCE**

The Funk (San Andres) Field was discovered in February 1952 at a depth of 740 feet. There are currently 40 producing oil wells carried on the proration schedule. Banner operates 35 of the wells and three other operators operate the remaining five wells. All of the wells in the field are on rod pump. Cumulative production from the field through January 2011 is 468.8 MBO and 982 MMCFG.

Banner equipped eight wells on the Livingston "22" Lease with vacuum pumps in October 2010. Production on the lease increased from 86 BOPD to 113 BOPD. Banner estimates that the installation of vacuum pumps will result in a per well increase of 3.4 BOPD for its wells. Banner calculated that the increase in production will generate incremental reserves of 55.9 MBO.

**FINDINGS OF FACT**

1. Proper notice of this hearing was given to all operators in the Funk (San

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Andres) Field at least ten days prior to the date of hearing. There were no protests to the application.

2. The Funk (San Andres) Field was discovered in February 1952 at a depth of 740 feet. There are currently 40 producing oil wells carried on the proration schedule. All of the wells in the field are on rod pump.
3. Cumulative production from the field through January 2011 is 468.8 MBO and 982 MMCFG.
4. The installation of vacuum pumps will result in a per well increase of 3.4 BOPD for Banner's wells.
5. With the use of vacuum pumps, incremental reserves from Banner's wells is expected to be of 55.9 MBO.

### **CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Approval of the requested authority pursuant to Statewide Rule 23 will prevent waste and will not harm correlative rights.

### **EXAMINER'S RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiner recommends that the Commission grant Rule 23 authority for all wells in the Funk (San Andres) Field, as requested by Banner Operating, LLC.

Respectfully submitted,

Richard D. Atkins, P.E.  
Technical Examiner