

April 2, 2004

OIL AND GAS DOCKET NO. 03-0237807

THE APPLICATION OF CHAMPIONS GLEN, LP TO CONSIDER APPROVAL OF A QUALIFIED SUBDIVISION
PURSUANT TO STATEWIDE RULE 76 FOR A 197 ACRE TRACT SUBDIVISION, IN HARRIS COUNTY, TEXAS

APPEARANCES:

For Applicant Champions Glen, LP.

John Camp

Gregory Frazier

Tim Smith

Tom Northrup

No other appearances

EXAMINERS' REPORT AND RECOMMENDATION

PROCEDURAL HISTORY

Application Filed:	February 6, 2004
Notice of Hearing:	March 8, 2004
Hearing Held:	March 24, 2004
Heard By:	Mark Helmueller, Hearings Examiner Thomas Richter, Technical Examiner
Report Issued:	April 2, 2004
Status:	Unprotected

STATEMENT OF THE CASE

Champions Glen, LP ("Champions") has filed an application for approval of a qualified subdivision pursuant to Statewide Rule 76. On March 24, 2004, the Commission held a hearing at its offices located at 1701 N. Congress Avenue, Austin, Texas, to consider evidence offered by Champions in support of its application. No notices of intent to protest the application were filed with the Commission, and no parties appeared at the hearing to protest the application. The examiners recommend approval of the application.

SUMMARY OF EVIDENCE PRESENTED

Champions' 197 acre tract is located within the H. D. Laird Survey, A-1669 and J. H. Suttles Survey, A-1660, in Harris County, a county with a population in excess of 400,000 residents. The proposed qualified subdivision designates a 6 acre tract for future drilling operations. No wells have been drilled within the area of the proposed qualified subdivision. A plat of the proposed subdivision is attached.

The owners of the mineral interests underlying the tract include the State of Texas. Correspondent from the General Land Office advises that it does not object to the proposed qualified subdivision.

There has been extensive development of the minerals within the 2.5 miles surrounding the proposed qualified subdivision. The known Railroad Commission designated fields within the 2.5 mile radius of review include: Tomball, Tomball (Cockfield Upper 5500), Tomball (Schultz SE.), Tomball (Wilcox 8400), Tomball (Tilcox 8860, 2nd), Tomball (Petrich), Tomball (Cockfield Upper 5500 SW), Tomball (Lewis 5930), Tomball (Lewis 5930, East), Tomball (Michel), Tomball (Jackson 4400, SE), Tomball (Hirsch), Tomball (Jackson 4700), Tomball (Cockfield Uper 1-5300, SE), Tomball, South (Wilcox 9500), Tomball, SE. (Cockfield First), Tomball, SE (10650), Tomball, SE (11700), Tomball, SE (12250), Tomball, SE (12250 FB-A), Tomball (Miocene 3400), Hooks (Shallow), Hinkle (Cockfield 5800), and the Rotherwood (13250) Fields. Champions identifies 251 wells within a 2.5 mile radius of the proposed qualified subdivision.

The proposed 6 acre drillsite tract is located in the approximate center of the proposed qualified subdivision and is adjacent to an existing pipeline right of way and road. Champions characterizes the proposed drillsite tract as a cluster designed to minimize the potential impact on the proposed development of residential and commercial property. Champions notes that separating the cluster into 3 tracts of 2 acres each located throughout the proposed qualified subdivision would have resulted in the dedication of additional acreage for pipeline easements and road access.

Champions represents that the location for the proposed drillsite tract will allow future mineral development of the entire 197 acre tract by the use of directional drilling technology. Examples of nearby wells to show that directional drilling is both technically and economically feasible in this area.

EXAMINERS' RECOMMENDATION

The examiners believe that the evidence presented satisfies the requirements of Statewide Rule 76. The Commission has previously approved "cluster" drillsites, and the overall acreage designated for the site is equal to the amount which would be required for 3 separate drillsites. Further, directional drilling would allow for mineral development of the entire 197 acre tract from the proposed drillsite. Accordingly, the examiners recommend that the qualified subdivision be approved.

FINDINGS OF FACT

1. At least 10 days notice of this hearing was given to all owners of the possessory mineral interest and to the mineral lessors of the proposed qualified subdivision. Notice of the hearing was published for four consecutive weeks in the Daily Court Review, a newspaper of general circulation in the area of the proposed subdivision, beginning on February 20, 2004.
2. Champions Glen, LP ("Champions") has authority to represent all surface owners of land contained in the proposed qualified subdivision.
3. Champions' 197 acre tract located in the H. D. Laird Survey, A-1669 and J. H. Suttles Survey, A-1660, in Harris County, Texas meets the requirements of a qualified subdivision.
 - a. The proposed qualified subdivision is a tract less than 640 acres in size.
 - b. Harris County has a population in excess of 400,000 people.
 - c. The proposed operation site contains sufficient acreage and access thereto for equipment and pipelines adequate to ensure the full and effective development of the minerals which might underlie the proposed qualified subdivision.
4. The owners of the mineral interests underlying the tract include the State of Texas. Correspondence from the General Land Office indicates that it does not object to the proposed qualified subdivision.
5. There are no wells currently producing on the acreage of the proposed qualified subdivision.
6. The 197 acre tract has been subdivided in a manner authorized by law by the surface owners for residential, commercial, or industrial use.
7. There has been extensive development of the minerals within the 2.5 miles surrounding the proposed qualified subdivision.
 - a. The known Railroad Commission designated fields within the 2.5 mile radius of review include: Tomball, Tomball (Cockfield Upper 5500), Tomball (Schultz SE.), Tomball (Wilcox 8400), Tomball (Tilcox 8860, 2nd), Tomball (Petrich), Tomball (Cockfield Upper 5500 SW), Tomball (Lewis 5930), Tomball (Lewis 5930, East), Tomball (Michel), Tomball (Jackson 4400, SE), Tomball (Hirsch), Tomball (Jackson 4700), Tomball (Cockfield Uper 1-5300, SE), Tomball, South (Wilcox 9500), Tomball, SE. (Cockfield First), Tomball, SE (10650), Tomball, SE (11700), Tomball, SE (12250), Tomball, SE (12250 FB-A), Tomball (Miocene 3400), Hooks (Shallow), Hinkle (Cockfield 5800), and the Rotherwood (13250) Fields.

- b. Champions identified 251 wells within 2.5 miles of the proposed qualified subdivision.
8. The proposed 6 acre operation site provides a sufficient area for any potential future drilling and production related to the development of the mineral interests underlying the proposed qualified subdivision.

CONCLUSIONS OF LAW

1. The application for the proposed qualified subdivision was properly filed with the Railroad Commission pursuant to its jurisdictional authority.
2. Proper and adequate notice was given by the Railroad Commission directly and by publication to persons legally entitled to such notice.
3. All things have been done or have occurred to give the Railroad Commission jurisdiction to decide this matter.
4. The application complies with the requirements of Statewide Rule 76 and Texas Natural Resources Code §§ 92.001 - 92.004.
5. Approval of this application will provide for the full and effective development of the minerals underlying the subject property as well as allow for the fullest and most efficient use of the surface estate.

RECOMMENDATION

Champions Glen, LP has satisfied the requirements of Statewide Rule 76 for approval of its qualified subdivision plan. Accordingly, the examiners recommend that the application be approved.

Respectfully submitted,

Mark Helmueller
Hearings Examiner

Thomas Richter
Technical Examiner