

THE APPLICATION OF BURLESON PETROLEUM, INC. TO CONSIDER NEW FIELD DESIGNATION AND FIELD RULES FOR THE (PROPOSED) STARK RANCH (SPRABERRY-WOLFCAMP) FIELD, GAINES COUNTY, TEXAS

Heard by: Donna K. Chandler on April 26, 2010

Appearances:

Steven Burleson

Representing:

Burleson Petroleum, Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Burleson Petroleum, Inc. requests that a new field designation called the Stark Ranch (Spraberry-Wolfcamp) Field be approved for its Fogerson Well No. 1. Burleson requests that the following field rules be adopted for the new field:

1. Designation of the field as the correlative interval from 8,226 feet to 11,300 feet as shown on the log of the Fogerson Well No. 1;
2. Allocation based on 95% potential and 5% per well.

There were no protests to this application and the examiner recommends approval of the new field designation and field rules.

DISCUSSION OF EVIDENCE

Burleson Petroleum completed its Fogerson No. 1 in January 2010. The well has perforations in the Spraberry, Dean and Wolfcamp between 8,226 feet and 11,300 feet. The deeper Strawn and Penn Reef are wet in this well, but Burleson wishes to include them within the designated interval for the field. On initial test, the well produced at a rate of 24 BOPD.

The new field designation should be approved for the Fogerson No. 1. There are no wells within a 2½ mile radius of the No. 1 well which have produced from any of the intervals proposed as the Stark Ranch (Spraberry-Wolfcamp) Field. The nearest comparable production is from the Spraberry (Trend Area) Field approximately 12 miles to the southeast. The nearest field with Wolfcamp production is the D.E.B. (Wolfcamp) Field just a little more than 2 ½ miles away. The interval is localized and the Fogerson No. 1 is surrounded by dry holes.

Burleson requests that the entire correlative interval between 8,226 feet and 11,300 feet in the Fogerson No. 1 be considered a single field known as the Stark Ranch (Spraberry-Wolfcamp) Field. This interval includes the entire Spraberry, Dean, Wolfcamp, Penn Reef and Strawn Lime. This interval is correlative to the interval for the Spraberry (Trend Area) Field.

State statutes require that a two factor allocation formula be adopted for the proposed field designation to be considered a single field. Burleson requests that the allocation formula be based on 95% potential and 5% per well to meet statutory requirements for combining multiple separate intervals.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice at least ten days prior to the date of hearing.
2. The Fogerson No. 1 was completed in January 2010 with perforations in the Spraberry, Dean and Wolfcamp between 8,226 feet and 11,300 feet. The deeper Strawn and Penn are wet in this well but may be productive in other areas.
3. The Fogerson No. 1 is entitled to a new field designation because there are no wells within a 2½ mile radius which produce from a comparable interval.
4. The entire correlative interval from 8,226 feet to 11,300 feet in the Fogerson No. 1 should be designated as the Stark Ranch (Spraberry-Wolfcamp) Field.
5. Allocation based on 95% potential and 5% per well will protect correlative rights and meets statutory requirements for combining multiple productive zones into a single field.

CONCLUSIONS OF LAW

1. Proper notice of this hearing was issued.
2. All things have been accomplished or have occurred to give the Commission jurisdiction in this matter.

3. Approval of the requested new field designation and adoption of field rules will prevent waste, protect correlative rights and promote the orderly development of the field.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends approval of the new field designation and adoption of field rules for the Stark Ranch (Spraberry-Wolfcamp) Field.

Respectfully submitted,

Donna K. Chandler
Technical Examiner