

THE APPLICATION OF KALER ENERGY CORP. TO RESCIND THE FIELD RULES FOR THE SINGLETON (1900) FIELD, BEE COUNTY, TEXAS

Reviewed by: Donna K. Chandler on November 27, 2007

EXAMINER'S REPORT AND RECOMMENDATION

DISCUSSION

Kaler Energy Corp. requests that the field rules for the Singleton (1900) Field be rescinded. The rules for the field were adopted by Order No. 2-61,478, effective February 8, 1972. The rules in effect for the field are summarized as follows:

1. Well spacing a minimum of 1,320 feet from lease lines and 2,640 feet between wells;
2. 320 acre gas units with 10% tolerance;
3. Allocation based on 100% acreage.

There is one well listed on the current proration schedule for the field. This well is the Petroleum Management, Inc. - L2 Ranch Well No. 1. The well has been listed as T.A. (temporarily abandoned) since November 2000. The operator of the well has had a delinquent P-5 since 2001.

There has been no production from the field since at least 1993 and no permits have been issued for the field for at least 24 months.

FINDINGS OF FACT

1. Notice of this application was not required because the only operator listed on the current proration schedule for the Singleton (1900) Field has had a delinquent P-5 since 2001.
2. The rules for the Singleton (1900) Field were adopted by Order No. 2-61,478, effective February 8, 1972.

3. The rules in effect for both fields provide for well spacing a minimum of 1,320 feet from lease lines and 2,640 feet between wells; 320 acre gas units with 10% tolerance; and allocation based on 100% acreage.
4. There has been no production from the field since at least 1993. No drilling permits have been issued for the field for at least 24 months.

CONCLUSIONS OF LAW

1. Canceling the field rules for the Singleton (1900) Field will promote development of the field and will not cause waste or harm correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that the field rules for the Singleton (1900) Field be canceled and that the field operate under Statewide Rules.

Respectfully submitted,

Donna K. Chandler
Technical Examiner