

THE APPLICATION OF BALLARD EXPLORATION COMPANY, INC. TO RESCIND THE FIELD RULES FOR THE ALCO-MAG (COOK MT. 2 8900) FIELD, HARRIS COUNTY, TEXAS

Reviewed by: Richard D. Atkins, P.E.

Date of Review: May 7, 2008

EXAMINER'S REPORT AND RECOMMENDATION

DISCUSSION

Ballard Exploration Company, Inc. requests that the field rules for the Alco-Mag (Cook Mt. 2 8900) Field be rescinded. The rules for the field were adopted by Order No. 3-30,859, effective January 27, 1955. The rules in effect for the field are summarized as follows:

1. Well spacing a minimum of 330 feet from lease lines and 933 feet between wells;
2. 500 acre density;
3. Allocation based on 66.7% acreage and 33.3% per well.

There are no wells listed on the current proration schedule for the field and there have not been any for the preceding 24 months.

The only permit pending is a W-1 Permit application that was filed by Ballard and issued on May 12, 2007. No other permits have been filed and there has been no production from the field during the preceding 24 months.

FINDINGS OF FACT

1. Notice of this application was not required because there are no operators listed in the Alco-Mag (Cook Mt. 2 8900) Field.
2. The rules for the Alco-Mag (Cook Mt. 2 8900) Field were adopted by Order No. 3-30,859, effective January 27, 1955.
3. The rules in effect for the field provide for well spacing a minimum of 330 feet from lease lines and 933 feet between wells, 500 acre density and allocation based on 66.7% acreage and 33.3% per well.

4. There are no wells listed on the current proration schedule for the field and there have not been any for the preceding 24 months.
5. The only permit pending is a W-1 Permit application that was filed by Ballard and issued on May 12, 2007. No other permits have been filed and there has been no production from the field during the preceding 24 months.

CONCLUSIONS OF LAW

1. Canceling the field rules for the Alco-Mag (Cook Mt. 2 8900) 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 Alco-Mag (Cook Mt. 2 8900) Field be canceled and that the field operate under Statewide Rules.

Respectfully submitted,

Richard D. Atkins, P.E.
Technical Examiner