

THE APPLICATION OF O'RYAN OIL AND GAS TO RESCIND THE FIELD RULES FOR THE POWELL (SMACKOVER) FIELD, NAVARRO COUNTY, TEXAS

Reviewed by: Richard D. Atkins, P.E. - Technical Examiner

Date of Review: May 27, 2008

EXAMINER'S REPORT AND RECOMMENDATION

DISCUSSION

O'Ryan Oil and Gas requests that the field rules for the Powell (Smackover) Field be rescinded. The rules for the field were adopted by Order No. 5-72,698, effective June 25, 1979, as amended. The rules in effect for the field are summarized as follows:

1. Well spacing a minimum of 467 feet from lease lines and 1,200 feet between wells;
2. 640 acre density with a 10% tolerance;
3. Allocation based on 100% deliverability.

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

There has been no production from the field since at least December 1993 and no permits have been issued for 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 Powell (Smackover) Field.
2. The rules for the Powell (Smackover) Field were adopted by Order No. 5-72,698, effective June 25, 1979, as amended.
3. The rules in effect for the field provide for well spacing a minimum of 467 feet from lease lines and 1,200 feet between wells, 640 acre density with a 10% tolerance and allocation based on 100% deliverability.
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. There has been no production from the field since at least December 1993 and no permits have been issued for the field during the preceding 24 months.

CONCLUSIONS OF LAW

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

RECOMMENDATION

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

Respectfully submitted,

Richard D. Atkins, P.E.
Technical Examiner