

THE APPLICATION OF VENTUM OIL AND GAS, LP TO RESCIND THE FIELD RULES FOR THE CHITSEY (SMACKOVER) FIELD, FRANKLIN COUNTY, TEXAS

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

Date of Review: May 7, 2008

EXAMINER'S REPORT AND RECOMMENDATION

DISCUSSION

Ventum Oil and Gas, LP requests that the field rules for the Chitsey (Smackover) Field be rescinded. The rules for the field were adopted by Order No. 6-59,648, effective December 16, 1969, as amended. The rules in effect for the field are summarized as follows:

1. Well spacing a minimum of 933 feet from lease lines and 1,867 feet between wells;
2. 160 acre density;
3. Allocation based on 100% acreage.

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 April 1989 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 Chitsey (Smackover) Field.
2. The rules for the Chitsey (Smackover) Field were adopted by Order No. 6-59,648, effective December 16, 1969, as amended.
3. The rules in effect for the field provide for well spacing a minimum of 933 feet from lease lines and 1,867 feet between wells, 160 acre density and allocation based on 100% acreage.
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 April 1989 and no permits have been issued for the field during the preceding 24 months.

CONCLUSIONS OF LAW

1. Canceling the field rules for the Chitsey (Smackover) 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 Chitsey (Smackover) Field be canceled and that the field operate under Statewide Rules.

Respectfully submitted,

Richard D. Atkins, P.E.
Technical Examiner