

APPLICATION OF BRAHANEY DRILLING COMPANY TO AMEND THE SPACING RULE FOR THE CORONET (2900) FIELD, HOWARD COUNTY, TEXAS

HEARD BY: Donna K. Chandler on November 7, 2008

APPEARANCES:

Todd Yocham

REPRESENTING:

Brahaney Drilling Company

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field rules for the Coronet (2900) Field currently provide for the following:

1. 330-770' well spacing;
3. 20 acre density with 10 acre tolerance;
4. Allocation based on 75% acres and 25% per well.

Brahaney Drilling Company requests that the spacing rule be amended to provide for 330'-660' well spacing.

This application was unopposed and the examiner recommends approval of the requested field rule amendment.

DISCUSSION OF THE EVIDENCE

The Coronet (2900) Field was discovered in 1952 and there is only one producing well in the field, the Sterling Trust No. 1 operated by Brahaney Drilling Company. Brahaney plans to drill additional wells on its 140 acre Sterling Trust lease.

Field rules providing for 20 acre density and 330'-770' well spacing were adopted a few months after the field was discovered. However, the between-well spacing requirement of 770 feet does not allow for development on standard 20 acre units. Normal spacing associated with 20 acre units is 330'-660'. This allows wells on different leases to be spaced the same distance apart as wells on the same lease.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Coronet (2900) Field was discovered in 1952 and there is only one producing well in the field.
3. Field rules for the field provide for 20 acre density, 330'-770' well spacing and allocation based on 75% acreage and 25% per well.
4. The standard spacing for 20 acre density is 330 feet from lease lines and 660 feet between wells.

CONCLUSIONS OF LAW

1. Proper notice was given to all parties as set out in the provisions of all applicable codes and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Amending the field rules to provide for 330'-660' well spacing will prevent waste, foster conservation and protect correlative rights.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that Rule 1 of the field rules for the Coronet (2900) Field be amended to provide for 330'-660' well spacing.

Respectfully submitted,

Donna K Chandler
Technical Examiner