



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0284017

THE APPLICATION OF RKI EXPLORATION & PRODUCTION LLC TO AMEND FIELD RULES FOR THE RED BLUFF (CONSOLIDATED) FIELD, LOVING COUNTY, TEXAS

HEARD BY: Richard D. Atkins, P.E. - Technical Examiner
Laura Miles-Valdez - Legal Examiner

DATE OF HEARING: September 6, 2013

APPEARANCES: REPRESENTING:

APPLICANT:

Steve Towns

RKI Exploration & Production LLC

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field Rules for the Red Bluff (Consolidated) Field were adopted in Final Order No. 08-0280874, effective June 13, 2013. The current Field Rules in effect for the field are summarized as follows:

1. Designated correlative interval from 4,250 feet to 7,350 feet as shown on the log of the RKI Exploration & Production LLC - CBR 6 Lease, Well No. 14 (API No. 42-301-31572);
2. 330'-660' well spacing;
3. 40 acre oil units with optional 20 acre density;
4. Allocation based on 95% acres and 5% per well with a top oil allowable based on the 1965 Yardstick Allowable of 121 barrels of oil per day.

RKI Exploration & Production LLC ("RKI") requests that the Field Rules be amended to provide for 467'-1,200' well spacing and 40 acre density, which matches Statewide Rules.

The application was unopposed and the examiners recommend approval of the amended Field Rules for the Red Bluff (Consolidated) Field, as requested by RKI.

DISCUSSION OF THE EVIDENCE

The Red Bluff (Consolidated) Field was created in June 2013 by the consolidation of various Delaware sand fields. The average depth of the consolidated field is 7,350 feet and there are seven producing oil wells and three operators carried on the oil proration schedule. The field operates under Field Rules that provide for 330'-660' well spacing and 40 acre oil units with optional 20 acre density. To date, no production has been reported from the consolidated field.

RKI is proposing to return the consolidated field back to Statewide Rules. RKI requests 467'-1,200' well spacing and 40 acre oil units. RKI believes that more development is needed on 40 acre density, before optional 20 acre density can be supported.

FINDINGS OF FACT

1. Notice of this hearing was provided to all persons entitled to notice at least ten (10) days prior to the date of the hearing and no protests were received.
2. The Red Bluff (Consolidated) Field was created in June 2013 by the consolidation of various Delaware sand fields.
 - a. The average depth of the consolidated field is 7,350 feet and there are seven producing oil wells and three operators carried on the oil proration schedule.
 - b. The field operates under Field Rules that provide for 330'-660' well spacing and 40 acre oil units with optional 20 acre density.
3. Field Rules providing for 467'-1,200' well spacing and 40 acre oil units are appropriate for the Red Bluff (Consolidated) Field.
4. More development is needed on 40 acre density, before optional 20 acre density can be supported.

CONCLUSIONS OF LAW

1. Notice of this hearing was provided to all persons entitled to notice at least ten (10) days prior to the date of the hearing and no protests were received.

2. All things have occurred or been accomplished to give the Railroad Commission jurisdiction in this matter.
 3. Amending Field Rules for the Red Bluff (Consolidated) Field will prevent waste, protect correlative rights and promote development of the field.
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EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission amend Field Rules for the Red Bluff (Consolidated) Field, as requested by RKI Exploration & Production LLC.

Respectfully submitted,



Richard D. Atkins, P.E.
Technical Examiner



Laura Miles-Valdez
Legal Examiner