



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 03-0294698

THE APPLICATION OF BURK ROYALTY CO., LTD TO AMEND FIELD RULES FOR THE FORT TRINIDAD, EAST (BUDA) FIELD, HOUSTON, MADISON, AND WALKER COUNTIES, TEXAS

HEARD BY: Karl Caldwell – Technical Examiner
Marshall Enquist – Hearings Examiner

HEARING DATE: February 3, 2015
CONFERENCE DATE: April 28, 2015

APPEARANCES: **REPRESENTING:**

APPLICANT:

George Neale
Greg Cloud

Burk Royalty Co., Ltd.

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field rules for the Fort Trinidad, East (Buda) Field, were adopted in Final Order No. 3-56,036, effective February 14, 1966. The field rules were last amended in Final Order No. 03-0276538, effective August 21, 2012. The current field rules in effect for the field are summarized as follows:

1. Designated correlative interval from 9,130 feet to 9,377 feet as shown on the log of the Texas Oil & Gas Corp. - Jones "FF" Lease, Well No. 1 (API No. 42-313-30307), H. Walker Survey, A-34, Madison County
2. 467'-933' well spacing;

3. 640 acre oil proration units, 80 acre options , 64 acre tolerance, and additional acreage assigned to horizontal wells based on formula apart from Statewide Rule 86; and
4. Maximum Daily Oil Allowable of 1,740 BO per day per well and allocation based on 100% acres.

Burk Royalty Co., Ltd. ("Burk") requests to amend the tolerance provision in the current field rules. The current tolerance provision only applies to oil wells in the field. Burk requests that the field rules be amended such that the tolerance provision is applicable to oil wells and gas wells completed in the field. The application is unopposed and the Examiners recommend approval of the application.

DISCUSSION OF THE EVIDENCE

In Final Order No. 03-0276538, tolerance acreage of 64 acres, 10% on a 640 acre unit, was adopted for oil wells in the field. There is no specific reference to tolerance acreage for gas wells in the current special field rule language. Gas wells have been completed in the field since the field rules were last amended. The Applicant requests that the field rules be amended such that the current tolerance acreage provision for oil wells in the field is also applicable to gas wells completed in the field. A 10% tolerance provision has been adopted in other similar fields, including the Fort Trinidad (Glen Rose, Upper) Field.

FINDINGS OF FACT

1. Notice of this hearing was provided to all operators in the field at least ten (10) days prior to the date of the hearing and no protests were received.
2. Field rules for the Fort Trinidad, East (Buda) Field, were adopted in Final Order No. 3-56,036, effective February 14, 1966.
3. The field rules were last amended in Final Order No. 03-0276538, effective August 21, 2012.
4. The current field rules have a maximum tolerance provision of 64 acres (10%) on a 640 acre unit, for oil wells in the field.
5. Amending the tolerance provision to be applicable to gas wells and oil wells will promote the orderly development of the field, will not cause waste or harm correlative rights.

CONCLUSIONS OF LAW

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Amending the field rules for the Fort Trinidad, East (Buda) Field will not cause waste or harm correlative rights.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission amend the field rules for the Fort Trinidad, East (Buda) Field as proposed by Burk Royalty Co., Ltd.

Respectfully submitted,



Karl Caldwell
Technical Examiner



Marshall Enquist
Legal Examiner