



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0300492

**THE APPLICATION OF RING ENERGY, INC. TO AMEND FIELD RULES FOR THE
BLOCK A-34 (SAN ANDRES) FIELD, ANDREWS COUNTY, TEXAS**

HEARD BY: Richard Eyster, P.G. – Technical Examiner
Dana Avant Lewis – Administrative Law Judge

HEARING DATE: June 30, 2016

CONFERENCE DATE: November 15, 2016

APPEARANCES:	REPRESENTING:
Kelli Kenney Hollie C. Lamb	Ring Energy, Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

The Block A-34 (San Andres) Field currently operates under field rules established on August 12, 2014 in Final Order No. 08-0289254. Ring Energy, Inc. (Ring) requests that Field Rule No. 2 be amended to add special take point provisions for horizontal wells, add 100 ft. first and last take point language, and 330 ft. perpendicular spacing. Ring is also requesting that Field Rule No. 3, be amended to eliminate the Form P-15 filing and add language adding the filing of Form P-16.

The application is not protested and the examiners recommend that Field Rules be amended for the Block A-34 (San Andres) Field, as proposed by Ring Energy.

DISCUSSION OF EVIDENCE

The Block A-34 (San Andres) Field was discovered in March 1979 at an average depth of 4,600 feet. Ring is developing the Block A-34 (San Andres) Field by drilling infill wells. Field rules adopted on August 12, 2014 in Final Order No. 08-0289254 provided for a correlative interval from 4,200 feet to 4,910 feet. The 2014 field rules also established a 330 ft. lease line spacing, zero (0) feet between well spacing, 40-acre standard proration units with 10-acre optional units, and classified the field as salvage.

Ring is now requesting amending Rule Nos. 2 and 3. Field Rule No. 2 will be amended by adding special language for take points in horizontal wells, 100 ft first and last take points, and 330 feet perpendicular spacing. Rink is requesting to amend Field Rule No. 3 by eliminating the language requiring the filing of Form P-15 and replace it with language requiring the filing of Form P-16.

There are over 211 vertical producers in this field. Ring has the majority of the production in the field. Ring has 30,000 gross acres to develop. They currently have 212 proved undeveloped locations. Ring said their vertical program will continue, but based on reservoir and well density they would like to adopt some wells as horizontal wells. Ring has 137 locations planned for horizontal development.

Adoption of the proposed field rule amendments will facilitate the orderly development of the field, reduce waste, and protect correlative rights. The Examiners recommend approval of the proposed rule amendments.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Block A-34 (San Andres) Field was discovered in March 1979 at an average depth of 4,600 feet.
3. Field rules adopted on August 12, 2014 in Final Order No. 08-0289254 provided for a correlative interval from 4,200 feet to 4,910 feet. The 2014 field rules also established 330 feet. lease line spacing, zero (0) feet between well spacing, 40-acre standard proration units with 10-acre optional units, and classified the field as salvage.
4. Field Rule No. 2 will be amended by adding special language for take points in horizontal wells, 100 feet first and last take points, and 330 feet perpendicular spacing.
5. Field Rule No. 3 will be amended by eliminating the language requiring the filing of Form P-15 and replace it with language requiring the filing of Form P-16.

CONCLUSIONS OF LAW

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code § 81.051.
2. All notice requirements have been satisfied. 16 Tex. Admin. Code § 1.45

3. The proposed field rules will prevent waste and promote the orderly development of the Block A-34 (San Andres) Field.

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 Block A-34 (San Andres) Field, as requested by Ring Energy, Inc.

Respectfully submitted,



Richard Eyster, P.G.
Technical Examiner



Dana Avant Lewis
Administrative Law Judge