



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 8A-0306362

THE APPLICATION OF RING ENERGY, INC. TO AMEND THE FIELD RULES FOR THE ODC, NE (SAN ANDRES) FIELD, GAINES COUNTY, TEXAS

HEARD BY: Karl Caldwell – Technical Examiner
Ryan Lammert – Administrative Law Judge

HEARING DATE: November 1, 2017
RECORD CLOSED: November 1, 2017
CONFERENCE DATE: December 5, 2017

APPEARANCES: **REPRESENTING:**

APPLICANT: Ring Energy, Inc.

Kelli Kenney
Hollie Lamb

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Ring Energy, Inc. (Ring) requests to amend the field rules for the ODC, NE (San Andres) Field in Gaines County. The Commission approved a discovery allowable and new oil field designation for the subject field, effective March 26, 1982. The ODC, NE (San Andres) Field currently operates under Statewide Rules.

Ring proposes the following field rule amendments:

- 1) Designate a correlative interval for the field.
- 2) 330-foot lease-line spacing with no minimum between well spacing. Provisions for take points in horizontal drainhole wells with dual lease line spacing of 330 feet perpendicular spacing, and 100 feet for first and last take points.
- 3) 40-acre standard proration units with 20-acre tolerance.

Notice of the application was provided to all operators on the proration schedule for the subject field. The application is unopposed and the Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend approval of the application.

DISCUSSION OF THE EVIDENCE

The ODC, NE (San Andres) Field was discovered March 26, 1982 and is currently under Statewide Rules. Ring is the only operator in the ODC, NE (San Andres) Field. Since the ODC, NE (San Andres) Field is currently under Statewide Rules, there is no designated correlative interval for the field. Ring proposes to designate the interval from 5,230 feet to 6,820 feet as shown on the log of the Devon Energy Corporation Willard RD B #2 (API No. 42-165-37206) be designated as a single reservoir for proration purposes and be designated as the ODC, NE. (San Andres) Field.

Ring requests to adopt field rules to facilitate development of the field with horizontal wells. Ring requests to adopt 330-foot lease line spacing with no minimum (0') between well spacing. Ring also requests dual lease line spacing for horizontal wells of 330 feet perpendicular spacing, and 100 feet for first and last take points. The proposed well spacing rules have already been adopted in other San Andres fields in the area, including the Harris (San Andres) Field, Seminole Draw (San Andres) Field, and the Sable (San Andres) Field. Ring also requests 40-acre standard proration units with 20-acre tolerance.

Ring agreed that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order shall be effective on the date a Master Order relating to this Final Order is signed.

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. The ODC, NE (San Andres) Field was discovered March 26, 1982.
3. The ODC, NE (San Andres) Field is currently under Statewide Rules.
 - a. Currently, there is no designated correlative interval for the ODC, NE (San Andres) Field.
 - b. Ring proposes to designate the interval from 5,230 feet to 6,820 feet as shown on the log of the Devon Energy Corporation Willard RD B #2 (API No. 42-165-37206) be designated as a single reservoir for proration purposes and be designated as the ODC, NE. (San Andres) Field.

4. Ring requests to adopt field rules to facilitate development of the field with horizontal wells.
 - a. Ring requests to adopt 330-foot lease line spacing with no minimum (0') between well spacing.
 - b. Ring requests dual lease line spacing for horizontal wells of 330 feet perpendicular spacing, and 100 feet for first and last take points.
 - c. The proposed field rules pertaining to well spacing have already been adopted in other San Andres fields in the area, including the Harris (San Andres) Field, Seminole Draw (San Andres) Field, and the Sable (San Andres) Field.
 - d. Ring requests 40-acre standard proration units with 20-acre tolerance.
5. Ring agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order shall be effective on the date a Master Order relating to this Final Order is signed.

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 ODC, NE (San Andres) Field will allow operators in the field to recover additional reserves and prevent waste.
4. Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and the consent of the applicants, this Final Order is effective when a Master Order relating to this Final Order is signed on December 5, 2017.

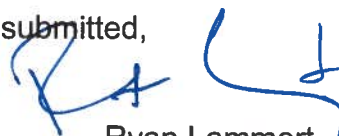
EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission amend the field rules for the ODC, NE (San Andres) Field in Gaines County, Texas.

Respectfully submitted,



Karl Caldwell
Technical Examiner



Ryan Lammert
Administrative Law Judge