

**APPLICATION OF STAR PRODUCTION, INC. TO CONSIDER A BLANKET EXCEPTION TO STATEWIDE RULE 10 FOR ALL CURRENT AND FUTURE WELLS IT OPERATES IN THE STAR LIGHT (HOPE), STAR LIGHT (BRECKENRIDGE) AND STAR LIGHT (PALO PINTO) FIELDS, TOM GREEN COUNTY, TEXAS**

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**HEARD BY:** Donna K. Chandler on March 2, 2009

**APPEARANCES:**

Dale E. Miller

**REPRESENTING:**

Star Production, Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**  
**STATEMENT OF THE CASE**

Star Production, Inc. requests Rule 10 exceptions for all wells it operates in the Star Light (Hope), Star Light (Breckenridge) and Star Light (Palo Pinto) Fields. It is requested that the commingled wells be assigned to any of the three fields, as all wells may not be commingled in all three fields.

This application was unopposed and the examiner recommends approval of the requested Rule 10 authority.

**DISCUSSION OF THE EVIDENCE**

The three subject Star Light fields are oil fields which were discovered in the past five years. Star Production, Inc. is the only operator in the three fields. All three fields operate under Statewide Rules.

There are currently 21 producing wells in the three fields and current monthly production from all wells is approximately 29,000 BO per month. Cumulative production from the fields is almost 500,000 BO, with over 450,000 BO from the Star Light (Palo Pinto) Field.

Two wells have already been granted Rule 10 authority. The Lee No. 2 is commingled in all three fields; the Lee South No. 3 is producing from the Hope and the Breckenridge fields. These Rule 10 exceptions were just approved in November 2008.

All wells are on artificial lift and therefore no crossflow is expected to occur. The pressure gradients in all three fields are very similar, being 0.41-0.42 psi/foot. Water analyses were performed on samples from all three zones. There is a very small possibility of scaling if the waters are combined, but inhibitors will be used as necessary.

Star estimates that incremental reserves as a result of commingling are 11,000 BO per each additional reservoir that is commingled. If all three are commingled, additional reserves are 22,000 BO. This additional recovery is a result of a lower combined economic limit.

It is requested that the commingled wells be assigned as requested by Star because all three fields may not be commingled in all wells. The top allowable in both the Star Light (Hope) and Star Light (Breckenridge) Fields is 100 BOPD and the top allowable in the Star Light (Palo Pinto) Field is 78 BOPD. All three fields will have a top allowable of 78 BOPD upon expiration of the discovery allowable in the Hope and Breckenridge fields.

#### **FINDINGS OF FACT**

1. Notice of this hearing was issued to all operators in the Star Light (Hope), Star Light (Breckenridge) and Star Light (Palo Pinto) Fields.
2. The Star Light (Hope), Star Light (Breckenridge) and Star Light (Palo Pinto) Fields were discovered in the past five years. Star Production, Inc. is the only operator in the three fields.
3. The Star Light (Hope), Star Light (Breckenridge) and Star Light (Palo Pinto) Fields are oil fields which operate under Statewide Rules.
4. Cumulative production from the fields is almost 500,000 BO, with over 450,000 BO from the Star Light (Palo Pinto) Field.
5. All wells are on artificial lift and no crossflow is expected to occur. The pressure gradients in all three fields are very similar, being 0.41-0.42 psi/foot.
6. Results of water analyses indicate that there is a very small possibility of scaling if the waters are combined. Star will use inhibitors as necessary.
7. Star estimates that incremental reserves as a result of commingling are 11,000 BO per each additional reservoir that is commingled. If all three are commingled, additional reserves are 22,000 BO.

**CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable codes and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Approval of the requested Rule 10 exceptions for all wells on leases operated by Star Production, Inc. in the Star Light (Hope), Star Light (Breckenridge) and Star Light (Palo Pinto) Fields will prevent waste and will not harm correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends approval of the requested Rule 10 exceptions for all wells on leases operated by Star Production, Inc., and its successors, in the Star Light (Hope), Star Light (Breckenridge) and Star Light (Palo Pinto) Fields, as specified in the attached order.

Respectfully submitted,

Donna K. Chandler.  
Technical Examiner