

THE APPLICATION OF MAGNUM PRODUCING, LP TO RESCIND THE FIELD RULES FOR THE MAY (7A SAND, UPPER SEG. B) FIELD, KLEBERG COUNTY, TEXAS

Reviewed by: Richard D. Atkins, P.E.

Date of Review: April 1, 2008

EXAMINER'S REPORT AND RECOMMENDATION

DISCUSSION

Magnum Producing, LP requests that the field rules for the May (7A Sand, Upper Seg. B) Field be rescinded. The rules for the field were adopted by Order No. 4-58,156, effective March 25, 1968. The rules in effect for the field are summarized as follows:

1. Well spacing a minimum of 660 feet from lease lines and 1,320 feet between wells;
2. 640 acre gas units with 10% tolerance;
3. Allocation based on 100% acreage.

There is one well listed on the current proration schedule for the field. This well is the Magnum Childs Gas Unit /Upper 7A Seg. B Well #22-M, which is partially plugged. There have been no other wells on the schedule during the preceding 24 months.

There has been no production from the field since August 1997 and no permits have been issued for the field for at least 24 months.

FINDINGS OF FACT

1. Notice of this application was not required because Magnum is the only operator listed on the current proration schedule for the May (7A Sand, Upper Seg. B) Field. The well listed is the Childs Gas Unit /Upper 7A Seg. B Well #22-M, which is partially plugged.
2. The rules for the May (7A Sand, Upper Seg. B) Field were adopted by Order No. 4-58,156, effective March 25, 1968.

3. The rules in effect for the field provide for well spacing a minimum of 660 feet from lease lines and 1,320 feet between wells; 640 acre gas units with 10% tolerance; and allocation based on 100% acreage.
4. There has been no production from the field since August 1997 and no permits have been issued for the field for at least 24 months.

CONCLUSIONS OF LAW

1. Canceling the field rules for the May (7A Sand, Upper Seg. B) Field will promote development of the field and will not cause waste or harm correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that the field rules for the May (7A Sand, Upper Seg. B) Field be canceled and that the field operate under Statewide Rules.

Respectfully submitted,

Richard D. Atkins, P.E.
Technical Examiner