



RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 08-0271142

THE APPLICATION OF MAK-J ENERGY PARTNERS (TX), LTD. TO ADOPT FIELD RULES FOR THE ROSE PETAL (LOWER MISS.) FIELD, MARTIN COUNTY, TEXAS

HEARD BY: Richard D. Atkins, P.E. - Technical Examiner
Brian K. Fancher - Technical Examiner

DATE OF HEARING: July 6, 2011

APPEARANCES:

Michael E. McElroy
Rick Johnston

REPRESENTING:

Mak-J Energy Partners (TX), Ltd.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Mak-J Energy Partners (TX), Ltd. ("Mak-J") requests that Field Rules be adopted for the Rose Petal (Lower Miss.) Field. Mak-J proposes the following Field Rules:

1. Designation of the field as the correlative interval from 9,930 feet to 10,550 feet, as shown on the log of the Mak-J Energy Partners - O'Brien "43", Well No. 1 (API No. 42-317-35492);
2. 467'- 660' well spacing;
3. 80 acre oil units with optional 40 acre density;
4. 100% acres allocation.

This application was unopposed and the examiners recommend that Field Rules for the Rose Petal (Lower Miss.) Field be adopted, as proposed by Mak-J.

DISCUSSION OF EVIDENCE

The Rose Petal (Lower Miss.) Field was discovered in December 1984 at an average depth of 10,500 feet. The field operates under Statewide Rules. There are currently three producing oil wells and three operators carried on the proration schedule. Cumulative production from the field through June 2011 is 196.7 MBO and 1.51 BCFG.

There is currently no defined correlative interval for the field. Mak-J requests that the field be defined as the correlative interval from 9,930 feet to 10,550 feet, as shown on the log of the Mak-J Energy Partners (TX), Ltd - O'Brien "43" Lease, Well No. 1 (API No. 42-317-35492), Section 43, Block A, Bauer and Cockrell Survey, A-322, Martin County, Texas. This interval includes both the upper and lower Mississippian formations and is situated stratigraphically between the base of the Strawn and the top of the Fusselman formations.

Mak-J aspires to implement field rules for the Rose Petal (Lower Miss.) Field synonymous with the Spraberry (Trend Area) Field. As a result, Mak-J is requesting spacing of 467'-660' in order to exploit horizons stratigraphically deeper than the Spraberry (Trend Area) Field. Mak-J has indicated they will be seeking Statewide Rule 10 authority to produce the Rose Petal (Lower Miss.) Field along with the Spraberry (Trend Area) Field, as the Rose Petal (Lower Miss.) Field is individually uneconomical. Mak-J indicated that in order to prevent waste of hydrocarbons, the proposed field rules for the Rose Petal (Lower Miss.) Field must be adopted to allow for down-hole commingling without obtaining a Statewide Rule 37 exception.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Rose Petal (Lower Miss.) Field was discovered in December 1984 at an average depth of 10,500 feet. The field operates on Statewide Rules.
3. The Rose Petal (Lower Miss.) Field currently contains three producing oil wells and three operators carried on the proration schedule.
4. The correlative interval from 9,930 feet to 10,550 feet as shown on the log of the Mak-J Energy Partners (TX), Ltd. - O'Brien "43" Lease, Well No. 1 (API No. 42-317-35492) should be designated as a single reservoir for proration purposes and be designated as the Rose Petal (Lower Miss.) Field.

5. The proposed field rules for the Rose Petal (Lower Miss.) Field provide for 467' - 660' well spacing, 80 acre oil units with optional 40 acre density, and are appropriate for the field.
6. The Rose Petal (Lower Miss.) Field is individually uneconomical to produce.
7. The Rose Petal (Lower Miss.) Field is stratigraphically located below the Spraberry (Trend Area) Field.
8. The proposed field rules for the Rose Petal (Lower Miss.) Field will allow for down-hole commingling with the Spraberry (Trend Area) Field without obtaining a Statewide Rule 37 exception.

CONCLUSIONS OF LAW

1. Proper notice of this hearing was issued.
2. All things have been accomplished or have occurred to give the Commission jurisdiction in this matter.
3. Adopting Field Rules for the Rose Petal (Lower Miss.) Field is necessary to prevent waste, protect correlative rights and promote development of the field.

RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that Field Rules for the Rose Petal (Lower Miss.) Field be adopted, as proposed by Mak-J Energy Partners (TX), Ltd.

Respectfully submitted,



Richard D. Atkins, P.E.
Technical Examiner



Brian K. Pancher
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