



# RAILROAD COMMISSION OF TEXAS

## OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 08-0273690

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THE APPLICATION OF PETROPLEX ENERGY INC. TO AMEND FIELD RULES FOR THE TOM RANCH (STRAWN) FIELD, MARTIN AND MIDLAND COUNTIES, TEXAS

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HEARD BY: Brian K. Fancher- Technical Examiner  
Marshall F. Enquist - Legal Examiner

HEARING DATE: January 17, 2012

APPEARANCES: REPRESENTING:

**APPLICANT:**

Rick Johnston

Petroplex Energy, Inc.

**EXAMINERS' REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Petroplex Energy, Inc. ("Petroplex") requests that Field Rules for the Tres Encanto (Escondido) Field be amended. Escondido proposes the following Field Rules:

1. Designation of the field as the correlative interval from 10,080 feet to 10,200 feet as shown on the log of the Mobil Prod. TX. & N.M., Inc - Tom Ranch, Well No. 1 (API No. 42-317-32844);
2. 467'-660' well spacing.

Subsequent to the hearing, the examiners determined the field rules prescribed for the Tom Ranch (Strawn) Field are currently governed by Statewide Rules. The examiners notified Petroplex of their finding and through correspondence dated March 14, 2012, Petroplex requested its proposed field rules for the Tom Ranch (Strawn) Field be adopted on a permanent basis. Petroplex provided the examiners with a waiver from Endeavor Energy Resources, L.P., the only operator identified on the service list for the Notice of Hearing dated December 14, 2011, that indicated Endeavor does not consider the permanent adoption of the applicant's proposed special field rules adverse.

Therefore, the application is unopposed and the examiners recommend that Field Rules for the Tom Ranch (Strawn) Field be adopted, as proposed by Petroplex.

### DISCUSSION OF THE EVIDENCE

The Tom Ranch (Strawn) Field was discovered in February 1984 at an average depth of 10,200 feet. The field currently operates under Statewide Rules. The January 2012 Oil Proration Schedule indicates there is one producing well, operated by Endeavor Energy Resources, L.P. The top oil allowable is the 1965 Yardstick Allowable of 192 barrels of oil per day. Cumulative production from the field through January 2012 is 56.4 MBO and 171.3 MMCFG.

There is currently no defined correlative interval for the field. Petroplex requests that the field be defined as the correlative interval from 10,080 feet to 10,200 feet, as shown on the log of the Mobil Prod. TX. & N.M., Inc - Tom Ranch, Well No. 1 (API No. 42-317-32844), T. & P. R.R. Co. Survey, Sec. 31, Martin County, Texas. The representative from Petroplex testified this interval includes the entire Strawn formation.

Field Rules governed by Statewide Rules provide for well spacing of 467' from any property line, lease line, or subdivision line and 1,200' between well spacing; therefore, any well completed in the Tom Ranch (Strawn) Field must adhere to the Statewide Rule well spacing provision or obtain a Statewide Rule 37 exception. Petroplex seeks to adopt a well spacing provision of 467'-660'. Petroplex testified that it seeks to adopt the same well spacing provision for the Tom Ranch (Strawn) Field as those governing the Spraberry (Trend Area) Field, so that more flexibility will be available in locating wells in the future.

In support of its requested well spacing provision, Petroplex submitted a copy of the Final Order for Oil and Gas Docket No. 7C-0266343, effective August 24, 2010. The Final Order established that exceptions to Statewide Rule 10 for all wells in the Spraberry Trend (Area) Field in Districts 7C, 8, and 8A, and any Strawn field listed in the Final Order, which included the Tom Ranch (Strawn) Field, are approved. Petroplex submitted evidence that indicates twenty-three wells are currently down-hole commingled in the Spraberry (Trend Area) and Tom Ranch (Strawn) Fields.

### FINDINGS OF FACT

1. Notice of this application and hearing was provided to all persons entitled to notice at least ten (10) days prior to the date of the hearing.
2. The Tom Ranch (Strawn) Field was discovered in February 1984 at an average depth of 10,200 feet.
  - a. The field operates under Statewide Rules.
  - b. There is one producing well listed on the January 2012 Oil Proration Schedule.

- c. The top oil allowable is the 1965 Yardstick Allowable of 192 barrels of oil per day.
3. The Tom Ranch (Strawn) Field should be defined as the correlative interval from 10,080 feet to 10,200 feet, as shown on the log of the Mobil Prod. TX. & N.M., Inc - Tom Ranch, Well No. 1 (API No. 42-317-32844), T. & P. R.R. Co. Survey, Sec. 31, Martin County, Texas. This interval includes the entire Strawn formation.
4. The Tom Ranch (Strawn) Field is actively being developed by down-hole commingling with the Spraberry (Trend Area) Field.
5. Field Rules providing for 467'-660" well spacing will provide consistency in developing the field and will allow greater flexibility in selecting future drilling locations.

#### 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 Tom Ranch (Strawn) Field is necessary to prevent waste, protect correlative rights, and promote development of the field.

#### EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission adopt Field Rules for the Tom Ranch (Strawn) Field, as requested by Petroplex Energy, Inc.

Respectfully submitted,



Brian K. Fancher  
Technical Examiner



Marshall F. Enquist  
Legal Examiner