



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0282689

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THE APPLICATION OF RING ENERGY, INC. TO ADOPT FIELD RULES FOR THE  
BLOCK A-34 (SAN ANDRES) FIELD, ANDREWS COUNTY, TEXAS

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HEARD BY: Richard D. Atkins, P.E. - Technical Examiner  
Terry Johnson - Legal Examiner

HEARING DATE: June 19, 2013

APPEARANCES: REPRESENTING:

**APPLICANT:**

Dale E. Miller

Ring Energy, Inc.

**EXAMINERS' REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

The Block A-34 (San Andres) Field currently operates under Statewide Field Rules. Ring Energy, Inc. ("Ring") requests that Field Rules be adopted, as shown below:

1. Designated correlative interval from 4,650 feet to 4,910 feet as shown on the log of the Stanford Energy, Inc. - Fisher A Lease, Well No. 1 (API No. 42-003-44470);
2. 330'-0' well spacing;
3. 40 acre oil units with optional 10 acre density;
4. Salvage classification with no allowable restrictions on oil or casinghead gas production.

Ring also requests that proration unit plats not be required for individual wells, but that Form P-15 be filed to designate the number of acres to be assigned to each well with no maximum diagonal limitation.

The application is unopposed and the examiners recommend that Field Rules be adopted for the Block A-34 (San Andres) Field, as proposed by Ring.

### **DISCUSSION OF EVIDENCE**

The Block A-34 (San Andres) Field was discovered in March 1979 at an average depth of 4,600 feet. There are six producing oil wells and four operators carried on the oil proration schedule. The field currently operates under Statewide Field Rules. Cumulative production from the field through March 2013 is 1.4 MMBO and 1.1 BCFG.

There is currently no defined correlative interval for the field. Ring requests that the field be defined as the correlative interval from 4,650 feet to 4,910 feet as shown on the log of the Stanford Energy, Inc. - Fisher A Lease, Well No. 1 (API No. 42-003-44470), Section 24, Block A-34, PSL Survey, A-1929, Andrews County, Texas. The correlative interval includes the productive portion of the San Andres formation.

Ring is developing the Block A-34 (San Andres) Field by drilling infill wells and requests Field Rules that will promote the efficient and effective development of the remaining hydrocarbons. From log analysis, Ring estimated an average porosity of 8%, an average water saturation of 49%, an average net pay thickness of 64 feet and a recovery factor of 15%. The primary drive mechanism is solution gas drive and the field is in the late stage of primary recovery. Ring provided drainage area calculations for 47 wells that have produced from the field. The drainage areas range from less than one acre up to a maximum of 28 acres. The average drainage area was calculated to be approximately 13 acres and 20 of the wells had drainage areas of 10 acres or less. Based on the drainage area calculations, Ring requests 330'-0' well spacing and 40 acre oil units with optional 10 acre density. Ring submitted a tabulation of four fields in Andrews and Crane Counties that have similar spacing and density Field Rules.

Given the depleted status of the reservoir, there is no reason to limit production from wells in the field. Ring requests a salvage classification with no allowable restrictions on oil or casinghead gas production and that proration unit plats not be required for individual wells, but that Form P-15 be filed to designate the number of acres to be assigned to each well with no maximum diagonal limitation.

### **FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Block A-34 (San Andres) Field was discovered in March 1979 at an average depth of 4,600 feet.

- a. There are six producing oil wells and four operators carried on the oil proration schedule.
- b. The field currently operates under Statewide Field Rules.
3. The Block A-34 (San Andres) Field should be defined as the correlative interval from 4,650 feet to 4,910 feet as shown on the log of the Stanford Energy, Inc. - Fisher A Lease, Well No. 1 (API No. 42-003-44470), Section 24, Block A-34, PSL Survey, A-1929, Andrews County, Texas. The correlative interval includes the productive portion of the San Andres formation.
4. Field Rules for the Block A-34 (San Andres) Field that provide for 330'-0' well spacing and 40 acre oil units with optional 10 acre density are appropriate for the field.
  - a. Drilling infill wells will promote the efficient and effective development of the remaining hydrocarbons.
  - b. From log analysis, the field has an average porosity of 8%, an average water saturation of 49%, an average net pay thickness of 64 feet and a recovery factor of 15%.
  - c. The primary drive mechanism is solution gas drive and the field is in the late stage of primary recovery.
  - d. Drainage area calculations for 47 wells that have produced from the field range from less than one acre up to a maximum of 28 acres.
  - e. The average drainage area was calculated to be approximately 13 acres and 20 of the wells had drainage areas of 10 acres or less.
  - f. Four fields in Andrews and Crane Counties have similar spacing and density Field Rules.
5. Given the depleted status of the reservoir, there is no reason to limit production from wells in the field.
6. A salvage classification with no allowable restrictions on oil or casinghead gas production is appropriate for the Block A-34 (San Andres) Field.
7. The filing of Form P-15 to designate the number of acres to be assigned to each well for proration purposes with no proration unit plats will eliminate unnecessary paperwork.

**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 Block A-34 (San Andres) 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 the Commission adopt Field Rules for the Block A-34 (San Andres) Field, as requested by Ring Energy, Inc.

Respectfully submitted,

  
Richard D. Atkins, P.E.  
Technical Examiner

  
Terry Johnson  
Legal Examiner