



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0284933

**THE APPLICATION OF QUANTUM RESOURCE MANAGEMENT, LLC TO AMEND
FIELD RULES FOR THE TURNER-GREGORY (CLEAR FORK) FIELD, MITCHELL
COUNTY, TEXAS**

HEARD BY: Paul Dubois – Technical Examiner
Mike Crnich – Legal Examiner

HEARING DATE: November 8, 2013

APPEARANCES:

REPRESENTING:

APPLICANT:

Jim Clark, P. E.

Quantum Resource Management, LLC

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field Rules for the Turner-Gregory (Clear Fork) Field were adopted in Final Order No. 8-52,367, effective July 25, 1963, as amended. The current Field Rules are summarized as follows:

1. Designation of the field as the correlative interval from 2,240 feet to 3,300 feet, as shown on the log of the Quantum Resources Management, LLC - Turner-Gregory Unit, Well No. 1204 (API No. 42-335-33871), formerly known as the SDX Resources, Inc. - Ellett B Lease, Well No. 4;
2. 330 ft. lease line spacing and zero (0) ft. between well spacing;
3. 20 acre oil units with optional 10-acre oil units;
4. Allocation based on 100% acres.

Quantum Resource Management, LLC, (Quantum) requests that Field Rules for the

Turner-Gregory (Clear Fork) Field be amended as follows:

1. No change;
2. No change;
3. Allow filing of P-15s and assigned acreage statements for each well in lieu of plats showing individual proration units.
4. No change.

The application was unopposed, and the examiners recommend that the field rules for the Turner-Gregory (Clear Fork) Field be amended as proposed by Quantum.

DISCUSSION OF THE EVIDENCE

The Turner-Gregory (Clear Fork) Field was discovered in December 1955 at an average depth of 2,700 feet. There are 12 operators and 160 producing oil wells carried on the proration schedule. Quantum operates the Turner Gregory Unit, which has 73 producing wells, accounting for about 45 percent of the wells and a similar share of the field production. Quantum also has 17 shut-in wells and 9 injection wells in the unit. With the field rules allowing for oil wells on 10-acre optional spacing, Quantum has acreage available for about 339 production wells.

Quantum seeks to remove the field rule requirement that operators submit plats identifying individual proration units. As the field is developed to higher density (reduced spacing), the need to create, delineate, and identify individual proration units on a plat becomes burdensome and ultimately not useful. Instead, as is done in many other fields, Quantum requests that acreage assignments be submitted in tabular format on Commission Form P-15.

East and Northeast of the Turner Gregory Unit are three other unitized areas that also produce from the same Clear Fork correlative interval. These units, the North Westbrook, Westbrook Southeast and Westbrook Southwest, are successfully being developed under entity for density orders that do not require operators to submit plats identifying individual proration units.

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 Turner-Gregory (Clear Fork) Field rules allow for optional 10-acre oil units.
3. As the field is developed to higher density (reduced spacing), the need to create, delineate, and identify individual proration units on a plat becomes burdensome and ultimately not useful
4. Other fields in the area and statewide have similar rules that do not require operators to submit plats identifying individual proration units.

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. Amending the Field Rules for the Turner-Gregory (Clear Fork) Field will promote the orderly development of the field.

RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission amend the Field Rules for the Turner-Gregory (Clear Fork) Field, as requested by Quantum.

Respectfully submitted,



Paul Dubois
Technical Examiner



Michael Crnich
Legal Examiner