



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0289254

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

HEARD BY: Paul Dubois – Technical Examiner
Cecile Hanna – Hearings Examiner

HEARING DATE: June 24, 2014

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 field rules established on August 6, 2013 in Final Order No. 08-0282689. Ring Energy, Inc. requests that Field Rule No. 1 be amended from the current correlative interval of 4,650 feet to 4,910 feet to the proposed correlative interval of 4,200 feet to 4,910 feet. The application is not protested and the examiners recommend that Field Rules be amended for the Block A-34 (San Andres) Field, as proposed by Ring Energy.

DISCUSSION OF EVIDENCE

The Block A-34 (San Andres) Field was discovered in March 1979 at an average depth of 4,600 feet. Ring is developing the Block A-34 (San Andres) Field by drilling infill wells. Field rules adopted on August 6, 2013 in Final Order No. 08-0282689 provided for a correlative interval from 4,650 feet to 4,910 feet. The field rules also established 40-acre standard proration units with 10-acre optional units. In the last year, Ring has drilled more than 30 wells in the field, mostly on the infill spacing. In this time, Ring has identified and developed a number of productive lenses within the San Andres Formation but above the

top of the established correlative interval. Therefore, Ring requests that the correlative interval for the field be amended to an upper depth of 4,200 feet to include the additional productive lenses within the San Andres Formation.

Oil production in the field increased from about 22,000 bbl in 2012 to more than 100,000 bbl in 2013. In the first three months of 2014, the field has produced more than 50,000 bbl oil. Continued infill drilling and development of all San Andres productive zones will prevent waste, protect correlative rights, and promote orderly development of the field.

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.
3. Ring Energy has drilled more than 30 wells in the field in the past year, and in doing so has identified a number of productive intervals in the San Andres Formation but above the currently defined correlative interval of 4,650 feet to 4,910 feet.
4. The Block A-34 (San Andres) Field should be defined as the correlative interval from 4,200 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.

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

Respectfully submitted,



Paul Dubois
Technical Examiner



Cecile Hanna
Hearings Examiner