



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0297184

THE APPLICATION OF WILLIAMS OIL COMPANY TO AMEND FIELD RULES FOR THE SHIPLEY (GLORIETA-CLEARFORK) FIELD, WARD COUNTY, TEXAS

HEARD BY: Richard Eyster, P.G. - Technical Examiner
John Dodson - Legal Examiner

HEARING DATE: August 06, 2015

POST HEARING CONFERENCE: August 28, 2015

CONFERENCE DATE: November 03, 2015

APPEARANCES: Tom Williams
Greg Benton
Roland Baker

REPRESENTING: Williams Oil Company.

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Williams Oil company (WOC) requests to amend the permanent field rules for the Shipley (Glorieta-Clearfork) Field. The Shipley (Glorieta) is currently governed by special field rules adopted in Oil & Gas Final Order 08-0288541. Current field rules for the Shipley (Glorieta-Clearfork) Field are:

1. A designated correlative interval for the consolidated Shipley (Glorieta-Clearfork) Field from 3,723 feet to 4,166 feet,
2. 330' lease, property, or subdivision line well-spacing and 660' between well-spacing; and,
3. 20-acre proration units.
4. Maximum daily oil allowable based on acreage.

Williams is requesting to amend the current Field Rule Number Three to allow for forty (40) acres proration units with optional twenty (20) acre proration units.

The subject application is unopposed, and the examiners recommend that it be approved as proposed by Williams Oil Company.

DISCUSSION OF THE EVIDENCE

The Glorieta-ClearFork reservoir is classified as Permian Leonardian strata deposited on the Central Basin Platform. Individual reservoirs are thin, laterally discontinuous, and intermittently interbedded with impermeable strata. The Shipley Glorieta ClearFork fields were originally discovered in the late 1950's and early 1960's. Development of the Glorieta and ClearFork continued thru 1967 with the fields being developed on 40 acre spacing. There are four operators and seventeen wells in the subject field. Williams operates four of the wells in the field.

A hearing was held on August 06, 2015 to amend the field rules and a post hearing conference was held on August 28, 2015. The purpose of the post hearing conference was to give the Applicant an opportunity to present additional technical information supporting WOC's request for forty (40) acres proration units with optional twenty (20) acre proration units.

During the post hearing conference, Tom Williams, President of Williams Oil Company and Greg Benton, WOC's Petroleum Engineer, presented a document (Exhibit No. 6), dated August 24, 2015 with volumetric drainage calculations showing the drainage area of the field is 40.6 acres. The document also states in the last paragraph on page two that "*WOC (Williams Oil Company) therefore requests the field spacing rules be modified to allow for 40 (proration) acres with optional 20 acre proration units.*"¹

Williams believes changing Rule No. 3 will allow for better development of the Field and prevent waste of reserves.

FINDINGS OF FACT

1. Notice of Hearing for the subject application was mailed to all operators in the subject fields.
2. The Shipley (Glorieta) is currently governed by special field rules adopted in Oil & Gas Final Order 08-0288541.
3. Williams is requesting to amend the current Field Rule Number Three to allow for forty (40) acres proration units with optional twenty (20) acre proration units.

¹. P.2 Paragraph 1. Audio 15:43

4. Drainage calculations show the drainage area of the field to be 40.6 acres.
5. There are four operators and seventeen wells in the subject field. Williams operates four of the wells in the field.
6. Amending the field rules for the Shipley (Glorieta-Clearfork) Field will prevent waste and protect correlative rights.

CONCLUSIONS OF LAW

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code §81.051.
2. Legally sufficient notice has been provided to all affected persons.
3. The adoption of Williams Oil Company's proposed Rule No. 3 for the Shipley (Glorieta-Clearfork) Field, as proposed by Williams, will promote development of the field prevent waste and protect correlative rights.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Shipley (Glorieta-Clear Fork) Field be governed by the special field rules ultimately proposed by Williams Oil Company.

Respectfully submitted,



Richard Eyster, P.G.
Technical Examiner



John Dodson
Legal Examiner