

THE APPLICATION OF SHARON RESOURCES, INC. TO RESCIND THE FIELD RULES FOR THE SPEAKS, NW. (WILCOX 12,800) FIELD, LAVACA COUNTY, TEXAS

Reviewed by: Donna K. Chandler on August 23, 2007

EXAMINER'S REPORT AND RECOMMENDATION

DISCUSSION

Sharon Resources, Inc. requests that the field rules for the Speaks, NW. (Wilcox 12,800) Field be rescinded. The rules were adopted by Order No. 2-73,631, effective September 17, 1979, and are summarized as follows:

1. Well spacing a minimum of 1,320 feet from lease lines and 2,640 feet between wells;
2. 320 acre gas units with 10% tolerance;
3. Allocation based on 100% acreage.

There have been no drilling permits issued for this field in the past two years. In addition, there have been no wells in the field for at least two years.

Sharon plans to develop the field and requests cancellation of the existing field rules. The field would operate under Statewide Rules instead of requiring 320 acres per well.

FINDINGS OF FACT

1. Notice of this application was not required because there are no operators in the Speaks, NW. (Wilcox 12,800) Field.
2. The field rules for the Speaks, NW. (Wilcox 12,800) Field were adopted by Order No. 2-73,631, effective September 17, 1979.
3. The field rules provide for well spacing a minimum of 1,320 feet from lease lines and 2,640 feet between wells, 320 acre proration units, and allocation based on 100% acreage.

4. There have been no drilling permits issued for this field in the past two years.
5. There have been no wells in the field for at least two years.

CONCLUSIONS OF LAW

1. Canceling the field rules for the Speaks, NW. (Wilcox 12,800) Field will promote development of the field and will not cause waste or harm correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that the field rules for the Speaks, NW. (Wilcox 12,800) Field be canceled and that the field operate under Statewide Rules.

Respectfully submitted,

Donna K. Chandler
Technical Examiner