

THE APPLICATION OF KINGWOOD EXPLORATION LLC TO RESCIND THE FIELD RULES FOR THE SPINDLETOP (NODOSARIA, UPPER) FIELD, JEFFERSON COUNTY, TEXAS

REVIEWED BY: Richard D. Atkins, P.E. - Technical Examiner

DATE OF REVIEW: March 17, 2010

EXAMINER'S REPORT AND RECOMMENDATION

DISCUSSION

Kingwood Exploration LLC ("Kingwood") requests that the Field Rules for the Spindletop (Nodosaria, Upper) Field be rescinded. The Field Rules were adopted by Final Order No. 3-21,871, effective September 24, 1951, and are summarized as follows:

1. 467'-1,200' well spacing;
2. 120 acre density with a 60 acre tolerance and a 2,500 foot maximum diagonal;
3. Allocation based on 75% acres and 25% per well.

There are no wells listed on the current proration schedule for the field and there have not been any for the preceding 24 months.

There has been no production from the field and no drilling permits have been issued for the field during the preceding 24 months.

FINDINGS OF FACT

1. Notice of this application was not required because there are no operators listed in the Spindletop (Nodosaria, Upper) Field.
2. The Field Rules for the Spindletop (Nodosaria, Upper) Field were adopted by Final Order No. 3-21,871, effective September 24, 1951.
3. The Field Rules in effect for the field provide for 467'-1,200' well spacing, 120 acre density with a 60 acre tolerance and a 2,500 foot maximum diagonal and allocation based on 75% acres and 25% per well.

4. There are no wells listed on the current proration schedule for the field and there have not been any for the preceding 24 months.
5. There has been no production from the field and no drilling permits have been issued for the field during the preceding 24 months.

CONCLUSIONS OF LAW

1. Canceling the Field Rules for the Spindletop (Nodosaria, Upper) Field will promote development of the field and will not cause waste or harm correlative rights.

RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiner recommends that the Field Rules for the Spindletop (Nodosaria, Upper) Field be canceled and that the field operate under Statewide Rules.

Respectfully submitted,

Richard D. Atkins, P.E.
Technical Examiner