



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0288541

THE APPLICATION OF WALSH & WATTS, INC. TO CONSOLIDATE THE SHIPLEY (GLORIETA) AND THE SHIPLEY (CLEAR FORK 3900) FIELDS INTO THE PROPOSED SHIPLEY (GLORIETA-CLEARFORK) FIELD AND TO ADOPT FIELD RULES FOR THE SHIPLEY (GLORIETA-CLEARFORK) FIELD, WARD COUNTY, TEXAS

HEARD BY: Brian Fancher, P.G. - Technical Examiner
Laura Miles-Valdez - Legal Examiner

HEARING DATE: May 21, 2014

APPEARANCES:

Lloyd Muennink
Roland Baker

REPRESENTING:

Walsh & Watts, Inc.

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Walsh & Watts, Inc. (W&W) requests to consolidate the Shipley (Glorieta) and Shipley (Clear Fork 3900) Fields into a single field named the Shipley (Glorieta-Clearfork) Field, and to adopt field rules for the Shipley (Glorieta-Clearfork) Field.

FIELD NAMES

Shipley (Glorieta)
Shipley (Clearfork 3900)
Shipley (Glorieta-Clearfork)

FIELD NUMBERS

83292 375
83292 125
83292 450

In addition, W&W seeks to adopt the proposed special field rules for the proposed Shipley (Glorieta-Clearfork) Field:

1. A designated correlative interval for the consolidated Shipley (Glorieta-Clearfork) Field from 3,723 feet to 4,166 feet, as shown on the log of the for the Wristen Brothers (Tract-A) Lease, Well No. 85-CF (API No. 42-475-10868) in the H&TC Survey, Block 5, Section 18, Ward County, Texas;

2. 330' lease, property, or subdivision line well-spacing and 600' between well-spacing; and,
3. 20-acre proration units.

The subject application is unopposed, and the examiners recommend that it be approved as proposed by W&W.

DISCUSSION OF THE EVIDENCE

Roland Baker, a consulting geologist, testified on behalf of W&W. W&W seeks to consolidate the existing subject fields into one field, the proposed Shipley (Glorieta-Clearfork) Field. Beyond that, W&W proposes to adopt special field rules for the consolidated Shipley (Glorieta-Clearfork) Field.

In 1954, the Shipley (Glorieta) and Shipley (3900 Clearfork) Fields were granted new field designations per Commission Order 20-29,540. The collective group of subject fields generally produce from the Glorieta and Clear Fork formations between roughly 3,866 feet and 3950 feet. The Shipley (Glorieta) is currently governed by special field rules adopted in Oil & Gas Final Order 8-75,617, which include the following: (1) 330'-660' well spacing; (2) 20-acre oil proration units; and (3) allocation based on 100% acreage. The Shipley (3900 Clearfork) is governed by Statewide Rules.

W&W submitted an planar view map that contains surface locations of wells located in the subject fields, which indicates there are sixteen wells and four operators in the subject fields. W&W operates five of the existing sixteen total wells.

W&W requests to designate its proposed Shipley (Glorieta-Clearfork) Field as the correlative interval from 3,723 feet to 4,166 feet, as shown on the log of the for the Wristen Brothers (Tract-A) Lease, Well No. 85-CF (API No. 42-475-10868) in the H&TC Survey, Block 5, Section 18, Ward County, Texas.

FINDINGS OF FACT

1. Walsh & Watts, Inc. (W&W) requests to consolidate the Shipley (Glorieta) and Shipley (Clear Fork 3900) Fields into a single field named the Shipley (Glorieta-Clearfork) Field, and to adopt field rules for the Shipley (Glorieta-Clearfork) Field.
2. W&W requests to incorporate the existing special field rules adopted for the Shipley (Glorieta) Field, per Oil and Gas Final Order 8-75,617, as permanent field rules for the proposed consolidated Shipley (Glorieta-Clearfork) Field. In addition, W&W requests a designated correlative interval be adopted to define the Shipley (Glorieta-Clearfork) Field.

3. W&W's proposed designated correlative interval for the consolidated Shipley (Glorieta-Clearfork) Field. is from 3,723 feet to 4,166 feet, as shown on the log of the for the Wristen Brothers (Tract-A) Lease, Well No. 85-CF (API No. 42-475-10868) in the H&TC Survey, Block 5, Section 18, Ward County, Texas.
4. In 1954, the Shipley (Glorieta) and Shipley (3900 Clearfork) Fields were granted new field designations per Commission Order 20-29,540.
5. Sixteen wells and four operators exist in the in the Shipley (Glorieta) and Shipley (Clear Fork 3900) Fields ("the subject fields").
6. W&W operates five of the existing sixteen total wells that produce from the existing subject fields.
7. Notice of Hearing for the subject application was mailed to all operators in the subject fields.

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. Consolidation of the Shipley (Glorieta) and Shipley (Clear Fork 3900) Fields into the newly named Shipley (Glorieta-Clearfork) Field, and adoption of Walsh & Watts, Inc.'s proposed field rules for the Shipley (Glorieta-Clearfork) Field, as proposed by Walsh & Watts, Inc., will promote development of the field.

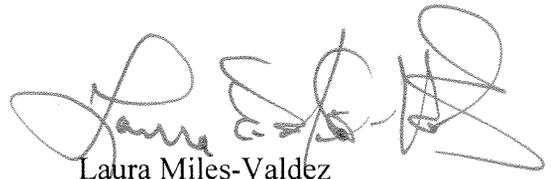
EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Shipley (Glorieta) and Shipley (Clear Fork 3900) Fields be consolidated into the Shipley (Glorieta-Clearfork) Field, and that the consolidated Shipley (Glorieta-Clearfork) Field be governed by the special field rules ultimately proposed by Walsh & Watts, Inc.

Respectfully submitted,



Brian Fancher, P.G.
Technical Examiner



Laura Miles-Valdez
Legal Examiner