



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 8A-0294898

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THE APPLICATION OF THREE SPAN OIL & GAS, INC. FOR ENTITIY FOR DENSITY  
AUTHORITY FOR THE ADAIR, S.E. (SAN ANDRES) UNIT, ADAIR FIELD, GAINES  
COUNTY, TEXAS

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HEARD BY: Karl Caldwell – Technical Examiner  
Laura Miles-Valdez – Hearings Examiner

HEARING DATE: February 5, 2015  
CONFERENCE DATE: April 28, 2015

APPEARANCES: REPRESENTING:

APPLICANT:  
George Neale  
Donna Chandler  
Three Span Oil & Gas, Inc.

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Three Span Oil & Gas, Inc. ("Three Span") requests that the Adair, S.E. (San Andres) Unit be approved as an entity for density purposes. The application is unprotested and the Examiners recommend approval of the application.

#### DISCUSSION OF THE EVIDENCE

The Adair, S.E. (San Andres) Unit in the Adair Field was approved as a Unit for secondary recovery purposes in Final Order 8A-97,441 effective February 24, 1992. The EUR for primary production in the Adair, S.E. (San Andres) Unit is approximately 2.3 MMBO. A positive production response was observed after unitization and secondary recovery operations commenced. Infill drilling is necessary to maximize the recovery of reserves and prevent waste. Entity for density authority will be most beneficial in eliminating between well spacing to optimize well placement. Designation of the Adair, S.E. (San Andres) Unit as an entity for density purposes would provide the operator flexibility in spacing wells to maximize the recovery of reserves and prevent

waste. Three Span estimates the total recovery of reserves to be approximately 8 MMBO. The requested relief will not harm correlative rights.

**FINDINGS OF FACT**

1. Notice of this hearing was provided to all affected operators in the field at least ten (10) days prior to the date of the hearing and no protests were received.
2. The Adair, S.E. (San Andres) Unit in the Adair Field was approved as a Unit for secondary recovery purposes in Final Order 8A-97,441 on February 24, 1992.
3. In-fill drilling on the Adair, S.E. (San Andres) Unit is necessary to maximize the recovery on reserves.
4. Designation of the Adair, S.E. (San Andres) Unit as an entity for density will allow Three Span to locate wells as needed to optimize the recovery of reserves.

**CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Approval of the subject application will prevent waste.

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission designate the Adair, S.E. (San Andres) Unit as an entity for density purposes as requested by Three Span Oil & Gas Inc.

Respectfully submitted,



Karl Caldwell  
Technical Examiner



Laura Miles-Valdez  
Legal Examiner