

**RAILROAD COMMISSION OF TEXAS  
OFFICE OF GENERAL COUNSEL**

**OIL AND GAS DOCKET  
NO. 03-0260835**

**IN THE BESSMAY (WILCOX CONS)  
FIELD, JASPER COUNTY, TEXAS**

**FINAL ORDER  
CONSOLIDATING VARIOUS BESSMAY (WILCOX) FIELDS INTO  
THE BESSMAY (WILCOX CONS) FIELD AND  
ADOPTING FIELD RULES FOR THE  
BESSMAY (WILCOX CONS) FIELD  
JASPER COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on March 6, 2009, the presiding examiner has made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the examiner's report and recommendation, the findings of fact and conclusions of law contained therein, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the following fields located in Jasper County, Texas, are hereby combined into a new field called the Bessmay (Wilcox Cons) Field, Field ID No. 07479 240.

<u>FIELD NAME</u>	<u>FIELD NUMBER</u>
Bessmay (Wilcox 1st)	07479 250
Bessmay (Wilcox 2b)	07479 276
Bessmay (Wilcox 3rd)	07479 300
Bessmay (Wilcox 5th)	07479 375
Bessmay (Wilcox 6th)	07479 442
Bessmay (Wilcox 8th)	07479 500

It is further **ORDERED** by the Commission that the following Field Rules are hereby adopted for the Bessmay (Wilcox Cons) Field:

**RULE 1:** The entire correlative interval from 10,330 feet to 12,580 feet, as shown on the log of the Costal Oil & Gas - Vastar Bonner Lease, Well No. 1 (API No. 42-241-30665), Jasper County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Bessmay (Wilcox Cons) Field.

**RULE 2:** No well for gas shall hereafter be drilled nearer than FOUR HUNDRED SIXTY SEVEN (467) feet to any property line, lease line, or subdivision line and no well shall be drilled nearer than ONE THOUSAND TWO HUNDRED (1,200) feet to any applied for, permitted or completed well in the same reservoir on the same lease, pooled unit or unitized tract. The aforementioned distances in the above rule are minimum distances to allow an operator flexibility in locating a well, and the above spacing rule and the other rules to follow are for the purpose of permitting only one well to each drilling and proration unit in either field. Provided however, that the Commission will grant exceptions to permit drilling within shorter distances and drilling more wells than herein prescribed whenever the Commission shall have determined that such exceptions are necessary either to prevent waste or to prevent the confiscation of property. When exception to these rules is desired, application therefor shall be filed and will be acted upon in accordance with the provisions of Commission Statewide Rules 37 and 38, which applicable provisions of said rules are incorporated herein by reference.

In applying this rule, the general order of the Commission with relation to the subdivision of property shall be observed.

**RULE 3:** The acreage assigned to the individual gas well for the purpose of allocating allowable gas production thereto shall be known as a proration unit. The standard drilling and proration units are established hereby to be THREE HUNDRED TWENTY (320) acres. No proration unit shall consist of more than THREE HUNDRED TWENTY (320) acres; provided that, tolerance acreage of ten (10) percent shall be allowed for each standard proration unit so that an amount not to exceed a maximum of THREE HUNDRED FIFTY TWO (352) acres may be assigned. The two farthestmost points in any proration unit shall not be in excess of SIX THOUSAND FIVE HUNDRED (6,500) feet removed from each other. Each proration unit containing less than THREE HUNDRED TWENTY (320) acres shall be a fractional proration unit. All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of gas. No double assignment of acreage will be accepted.

An operator, at his option, shall be permitted to form optional drilling units of FORTY (40) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit. The two farthestmost points of a FORTY (40) acre fractional proration unit shall not be greater than TWO THOUSAND ONE HUNDRED (2,100) feet removed from each other.

For the determination of acreage credit in this field, operators shall file for each well in this field a Form P-15 Statement of Productivity of Acreage Assigned to Proration Units. On that form or an attachment thereto, the operator shall list the number of acres that are being assigned to each well on the lease or unit for proration purposes. When the allocation formula in this field is suspended, operators in this field shall not be required to file plats with the Form P-15. When the allocation formula is in effect in this field, operators shall be required to file, along with the Form P-15, individual proration unit plats showing the acreage assigned to each well. Provided further, that if the acreage assigned to any well has been pooled, the operator shall furnish the Commission with such proof as it may require as evidence that interests in and under such proration unit have been so pooled.

**RULE 4a:** The Bessmay (Wilcox Cons) Field shall be classified as associated-prorated. The daily allowable production of gas from individual wells completed in the subject field shall be determined by allocating the allowable production, after deductions have been made for wells which are incapable of producing their gas allowables, among the individual wells in the following manner:

TEN percent (10%) of the total field allowable shall be allocated among the individual wells in the proportion that the acreage assigned such well for allowable purposes bears to the summation of the acreage with respect to all proratable wells producing from this field.

NINETY percent (90%) of the field's total allowable shall be allocated among the individual wells in the proportion that the deliverability of such well, as evidenced by the most recent G-10 test filed with the Railroad Commission bears to the summation of the deliverability of all proratable wells producing from the field.

**RULE 4b:** The field is classified as salvage with no restriction on oil or casinghead gas.

It is further **ORDERED** by the Commission that the application of Jamex, Inc. for suspension of the allocation formula in the Bessmay (Wilcox Cons) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Bessmay (Wilcox Cons) Field drops below 100% of deliverability. If the market demand for gas in the Bessmay (Wilcox Cons) Field drops below 100% of deliverability while the allocation formula is suspended, the operator shall immediately notify the Commission and the allocation formula shall be immediately reinstated.

Wells in the subject fields shall be transferred into the Bessmay (Wilcox Cons) Field without requiring new drilling permits.

Done this 31<sup>st</sup> day of March, 2009.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotested Master Order dated March  
31, 2009)**