

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

**OIL AND GAS DOCKET
NO. 01-0253960**

**IN THE W. C. FINCH (SIMSBORO 1900)
FIELD, MILAM COUNTY, TEXAS**

**FINAL ORDER
AMENDING FIELD RULES FOR THE
W. C. FINCH (SIMSBORO 1900) FIELD
MILAM COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on January 23, 2008, 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 field rules for the W. C. Finch (Simsboro 1900) Field adopted in Final Order No. 1-91,778, effective March 13, 1989, are amended are hereafter set out:

RULE 1: No well for oil or gas well shall hereafter be drilled nearer than ONE HUNDRED FIFTY (150) feet to any property line, lease line or subdivision line. There is no between-well spacing limitation for wells in this field. The aforementioned distance is the minimum distance to allow an operator flexibility in locating a well. 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 therefore shall be filed and will be acted upon in accordance with the provisions of Commission Statewide Rule 37, which applicable provisions of said rule are incorporated herein by reference.

RULE 2: The acreage assigned to the individual oil well shall be known as a proration unit. The standard drilling and proration units are established hereby to be FIVE (5) acres. No proration unit shall consist of more than FIVE (5) acres except as hereinafter provided. The two farthestmost points in any proration unit shall not be in excess of ONE THOUSAND ONE HUNDRED (1,100) feet removed from each other; provided however, that in the case of long and narrow leases or in cases where because of the shape of the lease such is

necessary to permit the utilization of tolerance acreage, the Commission may after proper showing grant exceptions to the limitations as to the shape of proration units as herein contained. All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of oil. No double assignment of acreage will be accepted.

If after the drilling of the last well on any lease and the assignment of acreage to each well thereon in accordance with the regulations of the Commission there remains an additional unassigned acreage of less than FIVE (5) acres, then and in such event the remaining unassigned acreage up to and including a total of TWO (2) acres may be assigned as tolerance acreage to the last well drilled on such lease or may be distributed among any group of wells located thereon, so long as the proration units resulting from the inclusion of such additional acreage meet the limitations prescribed by the Commission.

An operator, at his option, shall be permitted to form optional drilling and fractional proration units of 2 (2) acres. The two farthestmost points of a TWO (2) acre fractional proration unit shall not be greater than FIVE HUNDRED (500) feet removed from each other.

Operators shall file with the Commission certified plats of their properties in said field, which plats shall set out distinctly all of those things pertinent to the determination of the acreage credit claimed for each well; provided that if the acreage assigned to any proration unit 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 3: The W.C. Finch (Simsboro 1900) Field shall be classified as salvage, with no regulatory limitation on oil or casinghead gas production.

Done this 12th day of February, 2008.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotected Master Order dated
February 12, 2008)**