

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

**OIL AND GAS DOCKET
NO. 01-0262944**

**IN THE LULING-BRANYON FIELD,
CALDWELL AND GUADALUPE
COUNTIES, TEXAS**

**FINAL ORDER
AMENDING THE FIELD RULES FOR THE
LULING-BRANYON FIELD
CALDWELL AND GUADALUPE COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on October 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 Field Rules adopted in Final Order No. 1-11,070, effective August 5, 1947, for the Luling-Branyon Field, Caldwell and Guadalupe Counties, Texas are hereby amended. The amended Field Rules are set out in their entirety as follows:

RULE 1: The entire correlative interval from 1,620 feet to 2,164 feet as shown on the log of the Texas Petroleum Investment Co. - J. E. Allen "A" Lease, Well No. 46 (API No. 42-187-33111), Guadalupe County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Luling-Branyon Field.

RULE 2: No well for oil or gas shall hereafter be drilled nearer than ONE HUNDRED FIFTY (150) feet to any property line, lease line, or subdivision line. No minimum between well spacing requirement shall apply in this field. The aforementioned distance in the above rule is a minimum distance 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. 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 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 oil or gas well for the purpose of allocating allowable production thereto shall be known as a proration unit. The standard drilling and proration units are established hereby to be TWO (2) acres. No proration unit shall consist of more than TWO (2) acres except as hereinafter provided. 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. There is no maximum diagonal limitation in this field.

For the determination of acreage credit in this field, operators shall file for each oil or gas 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.

For oil or gas wells, operators shall be required to file, along with the Form P-15, a plat of the lease, unit or property; provided that such plat shall not be required to show individual proration units. Notwithstanding the above, operators shall be required to file an as-drilled plat showing the path, penetration point and terminus of all drainholes in horizontal wells.

RULE 4: The maximum daily oil allowable for each well in the subject field shall be 30 barrels of oil per day and the actual allowable for an individual well shall be determined by the sum total of the two following values:

- a. Each well shall be assigned an allowable equal to the top allowable established for a well having a proration unit containing the maximum acreage authorized exclusive of tolerance acreage multiplied by 95% and by then multiplying this value by a fraction, the numerator of which is the acreage assigned to the well and the denominator of which is the maximum acreage authorized for a proration unit exclusive of tolerance acreage.
- b. Each well shall be assigned an allowable equal to 5% of the maximum daily oil allowable above.

Done this 24th day of November, 2009.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed
by OGC Unprotested Master Order
dated November 24, 2009)**