

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET  
NO. 02-0285733**

**IN THE YOUNG (HOCKLEY 4500)  
FIELD, BEE , COUNTY, TEXAS**

**FINAL ORDER**

**ADOPTING FIELD RULES FOR THE  
FOR THE YOUNG (HOCKLEY 4500) FIELD  
BEE COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on December 16, 2013, 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 Field Rules for the Young (Hockley 4500) Field, Bee County, Texas, are hereby adopted as follows:

**RULE 1:** The entire correlative interval from 4,300 to 4,800 feet based on the array induction, compensated neutron litho-density log run in Welder's J. B. Elder Lease, Well No. 37 (API No. 025-33503) shall be designated as a single reservoir for proration purposes and be designated as the Young (Hockley 4500) Field.

**RULE 2:** No well for oil or gas shall hereafter be drilled nearer than **THREE HUNDRED THIRTY (330)** feet to any property line, lease line, or subdivision line. There is no minimum between well spacing requirement. 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. 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 well for the purpose of allocating allowable oil or gas production thereto shall be known as a proration unit. The standard drilling and proration units for oil and gas wells are established hereby to be FORTY (40) acres. No proration unit shall consist of more than FORTY (40) acres except as hereinafter provided. The two farthestmost points in any standard proration unit shall not be in excess of TWO THOUSAND ONE HUNDRED (2,100) 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.

An operator, at his option, shall be permitted to form optional drilling units of TWENTY (20) acres. The two farthestmost points in any optional unit shall not be in excess of ONE THOUSAND FIVE HUNDRED (1,500) feet removed from each other. A proportional acreage allowable credit will be given for a well on a fractional proration unit.

All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of oil or gas. No double assignment of acreage will be accepted.

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 4a:** The maximum daily oil allowable for each well in the subject field shall be the 1965 Yardstick allowable of 48 barrels of oil per day for a 20-acre oil proration unit, and the actual allowable for an individual well shall be determined by multiplying the allowable for a well in the field by a fraction, the numerator of which is the acreage assigned to the well for proration purposes and the denominator of which is the maximum acreage authorized by these field rules for proration purposes, exclusive of tolerance acreage.

**RULE 4b:** The daily allowable production of gas from individual gas 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:

FIFTY percent (50%) of the total field allowable shall be allocated equally among all the individual prorable wells producing from the field.

FIFTY percent (50%) of the total field 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 prorable wells producing from this field.

Done this 18<sup>th</sup> day of February, 2014.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
Hearings Division's Unprotested Master  
Order dated February 18, 2014)**