

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

**OIL AND GAS DOCKET  
NO. 06-0249292**

**IN THE OVERTON (COTTON VALLEY  
SAND) FIELD, SMITH, RUSK AND  
CHEROKEE COUNTIES, TEXAS**

**FINAL ORDER  
AMENDING THE FIELD RULE NO. 2 AS  
ADOPTED IN FINAL ORDER NO. 6-68,850  
ISSUED EFFECTIVE MAY 30, 1978, AS AMENDED  
FOR THE OVERTON (COTTON VALLEY SAND) FIELD  
SMITH, RUSK AND CHEROKEE COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on November 8, 2006, 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 Special Field Rule No. 2 as adopted in Final Order No. 6-68,850, issued effective May 30, 1978, as amended, for the Overton (Cotton Valley Sand) Field, Smith, Rusk and Cherokee Counties, Texas is amended as hereafter set out.

**RULE 2:** No well for gas shall hereafter be drilled nearer than FOUR HUNDRED AND SIXTY-SEVEN (467) feet to any property line, lease line, or subdivision line and no well shall be drilled nearer than SIX HUNDRED (600) 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. 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.

Further the allocation formula shall remain suspended pursuant to Statewide Rule 31(j).

Done this 5th day of December, 2006.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by OGC  
Unprotested Master Order dated December 5,  
2006)**