

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

**OIL AND GAS DOCKET
NO. 08-0249701**

**IN THE WAR-WINK, S. (WOLFCAMP)
FIELD, WARD COUNTY, TEXAS**

**FINAL ORDER
ADDING A NEW RULE 1, AMENDING AND
RENUMBERING RULES 1, 2 AND 3 OF THE FIELD RULES
ADOPTED IN FINAL ORDER NO. 8-66,650
ISSUED EFFECTIVE DECEMBER 28, 1976, AS AMENDED,
FOR THE WAR-WINK, S. (WOLFCAMP) FIELD, WARD COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on January 3, 2007, 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.

It is ordered by the Railroad Commission of Texas that the Special Field Rules as adopted by Order No. 8-66,650, effective December 28, 1976, as amended, for the War-Wink, S. (Wolfcamp) Field are amended and renumbered as follows:

It is ordered that the following Rule No.1 be added to the field rules adopted in Final Order Order No.8-66,650, effective December 28, 1976, as amended, for the War-Wink, S. (Wolfcamp) Field, Ward County, Texas.

RULE 1: The entire correlative interval from 11,125' to 11,480' as shown on the Dual Laterolog of The Superior Oil Company, University 32-18 Lease Well No. A-1, (API No. 42-467-32305) Sect. 32, Blk 18, University Land Survey, Ward County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the War-Wink, S. (Wolfcamp) Field.

It is ordered by the Railroad Commission of Texas that Rules 1, 2 and 3 of the field rules adopted in 8-66,650, effective December 28, 1976, as amended, for the War-Wink, S. (Wolfcamp) Field, Ward County, Texas be and they are renumbered and amended as hereafter set out.

RULE 2: No well for oil or gas shall hereafter be drilled nearer than SIX HUNDRED AND SIXTY(660) feet to any property line, lease line or subdivision line and no well shall be drilled nearer than THIRTEEN HUNDRED AND TWENTY (1,320) feet to any applied for, permitted or completed well in the same reservoir on the same lease, pooled unit or unitized tract. Not

withstanding the above, there shall be no between well spacing limitation between a vertical well and horizontal drainhole well lateral(s). 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 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 production thereto shall be known as a proration unit. The standard drilling and proration units are established hereby to be ONE HUNDRED AND SIXTY (160) acres. No proration unit shall consist of more than ONE HUNDRED AND SIXTY (160) acres; provided that 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 ONE HUNDRED AND SIXTY (160) acres, then and in such event the remaining unassigned acreage up to and including a total of FORTY (40) 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. The two farthestmost points in any proration unit shall not be in excess of FOUR THOUSAND FIVE HUNDRED (4,500) feet removed from each other. Each proration unit containing less than ONE HUNDRED AND SIXTY (160) 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. No double assignment of acreage will be accepted.

An operator, at his option, shall be permitted to form optional drilling units of EIGHTY (80) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit. The two farthestmost points of a EIGHTY (80) acre fractional proration unit shall not be greater than THREE THOUSAND TWO HUNDRED AND FIFTY (3,250) 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 4: The maximum daily oil allowable for a well in the field shall be determined by multiplying the applicable yardstick allowable for a well in the field, 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. The daily oil allowable for a well in the field shall be adjusted in accordance with Statewide Rule 49(a) when applicable.

Done the 23rd day of January, 2007.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by OGC
Unprotected Master Order dated January 23,
2007)**