

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

**OIL AND GAS DOCKET
NO. 08-0257306**

**IN THE IATAN, EAST HOWARD FIELD,
HOWARD AND MITCHELL COUNTIES,
TEXAS**

**FINAL ORDER
AMENDING FIELD RULES FOR THE
IATAN, EAST HOWARD FIELD
HOWARD AND MITCHELL COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on June 27, 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 Rule 1 of the field rules for the Iatan, East Howard Field, Howard and Mitchell Counties, Texas, is amended as hereafter set out:

RULE 1: No well for oil or gas shall hereafter be drilled nearer than TWO HUNDRED (200) feet to any property line, lease line or subdivision line and no well shall be drilled nearer than FOUR HUNDRED (400) feet to any applied for, permitted or completed well in the same reservoir on the same lease, pooled unit or unitized tract. 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. In applying this rule, the general order of the Commission with relation to the subdivision of property shall be observed.

Done this 29th day of July, 2008.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated July 29,
2008)**