

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 08-0285414**

**IN THE CAPRITO (DELAWARE
MIDDLE) FIELD, WARD COUNTY,
TEXAS**

**FINAL ORDER
ADOPTING FIELD RULES FOR THE
CAPRITO (DELAWARE MIDDLE) FIELD,
WARD COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on October 28, 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 are adopted for the Caprito (Delaware Middle) Field:

RULE 1: The entire correlative interval from 4,974 feet to 7,097 feet as shown on the log of the SandRidge Expl & Prod LLC – University 17-24 #4 well (API No. 42-475-36028), University Lands Survey, Block 17, Section 24, Ward County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Caprito (Delaware Middle) Field.

RULE 2: No well for oil or gas shall hereafter be drilled nearer than FOUR HUNDRED SIXTY SEVEN (467) feet to any property line, lease line, or subdivision line. No well shall be drilled nearer than SIX HUNDRED SIXTY (660) feet to any other 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.

RULE 3: The acreage assigned to an 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 FORTY (40) acres. No proration unit shall consist of more than FORTY (40) 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.

An operator, at his option, shall be permitted to form optional drilling units of TWENTY (20) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit.

For the determination of acreage credited 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 wells operators shall be required to file, along with Form P-15, a plat of the lease, unit, or property in the field, provided such plats shall not be required to show individual proration units or wells other than the well for which the Form P-15 is being filed.

Done this 18th day of December, 2013.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotected Master
Order dated December 18, 2013)**