

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

**OIL AND GAS DOCKET
NO. 08-0265788**

**IN THE WAR-WINK, S. (WOLFCAMP)
FIELD, WARD AND WINKLER
COUNTIES, TEXAS**

**FINAL ORDER
AMENDING FIELD RULE NOS. 2 AND 3 FOR THE
WAR-WINK, S. (WOLFCAMP) FIELD
WARD AND WINKLER COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on June 16, 2010, 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 Field Rule Nos. 2 and 3, of the Field Rules adopted in Final Order No. 8-66,650, effective December 28, 1976, as amended, for the War-Wink, S. (Wolfcamp) Field, Ward and Winkler Counties, Texas, are hereby amended. The amended Field Rule Nos. 2 and 3 are set out below:

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 and no well shall be drilled nearer than NINE HUNDRED THIRTY THREE (933) feet to any applied for, permitted or completed well in the same reservoir on the same lease, pooled unit or unitized tract. Notwithstanding the above, there shall be no between well spacing limitation between a vertical well and horizontal drainhole well. 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 oil 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 FORTY (40) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit. The two farthestmost points of a FORTY (40) acre fractional proration unit shall not be greater than TWO THOUSAND ONE HUNDRED (2,100) 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.

Done this 10th day of August, 2010.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated August
10, 2010)**