

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 8A-0287578**

**IN THE TALL COTTON (SAN ANDRES)
FIELD, GAINES COUNTY, TEXAS**

**FINAL ORDER
FOR A NEW FIELD DESIGNATION AND TO ADOPT FIELD RULES FOR THE
TALL COTTON (SAN ANDRES) FIELD
GAINES COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on March 27, 2014, the presiding examiners have 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 examiners' 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 application of Kinder Morgan Production Co., LLC, for a new field designation for the Tall Cotton (San Andres) Field (ID No. 88230 500), Gaines County, Texas, is hereby approved.

It is further **ORDERED** that the following Field Rules are hereby adopted for the Tall Cotton (San Andres) Field, Gaines County, Texas:

RULE 1: The entire correlative interval from 5,250 feet to 5,800 feet in the Kinder Morgan Production Co., LLC, Bergen Lease, Well No. 1 (API No. 42-165-37662) located 2,640 feet from the South line and 1,287 feet from the East line of Section 427, Block G, CCSD & RGNG RR Co. Survey, Abstract A-128 in Gaines County, Texas, shall be designated as the Tall Cotton (San Andres) Field for proration purposes.

RULE 2: No well for oil or gas shall hereafter be drilled nearer than **THREE HUNDRED THIRTY (330)** feet to any property line, lease line or subdivision line. There is no minimum between-well spacing requirement. 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 in either field. 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 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: A capacity exempt allowable is established for this field pursuant to 16 TAC §3.48. The daily allowable production of oil from individual wells completed in the field shall not be subject to oil allowable proration or gas limit restriction and said allowables shall be set at capacity/exempt.

Done this 22nd day of May, 2014.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Divisions' Unprotested Master
Order dated May 22, 2014)**