

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET  
NO. 01-0288130**

**IN THE FENTRESS (1750) FIELD,  
CALDWELL COUNTY, TEXAS**

**FINAL ORDER  
AMENDING FIELD RULES  
FOR THE FENTRESS (1750) FIELD  
CALDWELL COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on May 1, 2014, the presiding the presiding examiner has made and filed a report and recommendation containing findings of fact and conclusions of law, which was served on all parties of record; 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 field rules for the Fentress (1750) Field, Caldwell County, Texas, adopted in Final Order No. 1-76,615, issued effective August 10, 1981, as amended, are hereby amended and set out in their entirety as follows:

**RULE 1:** The entire correlative interval from 1556 feet to 1752 feet as shown on the gamma ray-neutron log of the Rollert Company, Inc. F.C. Rheinlander Lease, Well No. 2 (API No. 055-32915), A. Churchill Survey, A-66, Caldwell County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Fentress (1750) Field.

**RULE 2:** No well for gas or oil shall hereafter be drilled nearer than **THREE HUNDRED THIRTY (330)** feet to any property line, lease line, or subdivision line and no well shall be drilled nearer than **SIX HUNDRED SIXTY (660)** feet to any 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.

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 oil production thereto shall be known as a proration unit. The standard drilling and proration units are established hereby to be ONE HUNDRED SIXTY (160) acres. No proration unit shall consist of more than ONE HUNDRED SIXTY (160) acres except as hereinafter provided. The two farthestmost points in any proration unit shall not be in excess of SIX THOUSAND (6,000) feet removed from each other; provided however, that in the case of long and narrow leases or in cases where because of the shape of the lease such is necessary to permit the utilization of tolerance acreage, the Commission may after proper showing grant exceptions to the limitations as to the shape of proration units as herein contained. 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.

If 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 SIXTY (160) acres, then and in such event the remaining unassigned acreage up to and including a total of EIGHTY (80) 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.

An operator, at his option, shall be permitted to form fractional units of TWENTY (20) acres, with a proportional acreage allowable credit for a well on such unit with the two farthestmost points of such TWENTY (20) acre fractional unit not greater than SIX THOUSAND (6,000) 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 daily total field oil allowable, as fixed by the Commission after deductions have been made for marginal wells, high gas-oil ratio wells and wells which are incapable of producing their allowables as determined hereby, shall be distributed among the wells producing in the field capable of making their allowables in that proportion that the acreage assigned to each well bears to the sum of the acreage assigned to all of the wells in the field.

Done this 8<sup>th</sup> day of July, 2014.

**RAILROAD COMMISSION OF TEXAS**  
**(Order approved and signatures affixed by**  
**Hearings Division's Unprotected Master**  
**Order dated July 8, 2014.**