

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET  
NO. 10-0289117**

**IN THE COLDWATER CREEK, E.  
(OSWEGO) FIELD, HANSFORD  
COUNTY, TEXAS**

**FINAL ORDER**

**ADOPTING FIELD RULES  
FOR THE COLDWATER CREEK, E. (OSWEGO) FIELD,  
HANSFORD COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on June 11, 2014, 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 for the Coldwater Creek, E. (Oswego) Field, Hansford County, Texas, are hereby adopted as follows:

**RULE 1:** The entire correlative interval from 6,099 feet to 6,192 feet as shown on the log of the J-Brex Company Double D Lease, Well No. 2-203 (API No. 42-195-31891, also identified as Double D-E Well No. 2203), Section 203, Block 2, GH&H RR Co. Survey, A-125, Hansford County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Coldwater Creek, E. (Oswego) Field.

**RULE 2:** No well for oil or gas shall hereafter be drilled nearer than **FOUR HUNDRED AND SIXTY-SEVEN (467)** feet to any property line, lease line, or subdivision line and no well shall be drilled nearer than **ONE THOUSAND TWO HUNDRED (1,200)** 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 individual oil or gas well for the purpose of allocating allowable production shall be known as a proration unit. The standard drilling and proration units are established hereby to be SIX HUNDRED FORTY (640) acres. No proration unit shall consist of more than SIX HUNDRED FORTY (640) acres; provided that, tolerance acreage of ten (10) percent shall be allowed for each standard proration unit so that an amount not to exceed a maximum of SEVEN HUNDRED FOUR (704) acres may be assigned. Each proration unit containing less than SIX HUNDRED FORTY (640) 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 of oil or gas. No double assignment of acreage will be accepted.

An operator, at his option, shall be permitted to form optional drilling units of THREE HUNDRED TWENTY (320) acres. A proportional acreage allowable credit will be given for a well with 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 or gas 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. There is no maximum diagonal limitation in this field.

**RULE 4:** The daily allowable production of gas from individual wells completed in a nonassociated gas reservoir of the subject field shall be determined by allocating the allowable production, after deductions have been made for wells which are incapable of producing their gas allowables, among the individual wells in the proportion that the acreage assigned such well for proration purposes bears to the summation of the acreage with respect to all prorable wells producing from the same reservoir.

It is further **ORDERED** that the allocation formula in the Coldwater Creek, E.

(Oswego) Field will remain suspended. If the market demand for gas in the Coldwater Creek, E. (Oswego) Field drops below 100% of deliverability while the allocation formula is suspended, the operator shall immediately notify the Commission and the allocation formula shall be immediately reinstated.

Done this 12<sup>th</sup> day of August, 2014.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
Hearings Division Unprotected Master Order  
dated August 12, 2014)**