

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 02-0287465**

**IN THE COLOGNE FIELD, VICTORIA
COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF BIG LAKE CORPORATION
TO CONSOLIDATE VARIOUS FIELDS INTO
THE COLOGNE FIELD AND
TO ADOPT FIELD RULES FOR
THE COLOGNE FIELD,
VICTORIA COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on March 28, 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 following fields located in Victoria County, Texas, are hereby consolidated into the Cologne Field, Field ID No. 19744 001.

<u>FIELD NAME</u>	<u>FIELD ID NUMBER</u>
Cologne (4650)	19744 885
Cologne (4700)	19744 897
Cologne (4700 Oil)	19744 900
Cologne (4800)	19744 920
Cologne (4800 Oil)	19744 925

It is further **ORDERED** by the Commission that the special field rules adopted for the Cologne Field in Special Order No. 2-2632, as amended, are hereby amended and set out in their entirety as follows:

RULE 1: Designation of the field as the correlative interval from 4,500 feet to 5,250 feet, as shown on the log of the BJB Exploration Co., J. Salinas "A", Well No. 2, in the Pedro Gallardo Survey (A-32) in Victoria County. shall be designated as a single reservoir for proration purposes and be designated as the Cologne Field.

RULE 2: No well for oil shall hereafter be drilled nearer than THREE HUNDRED THIRTY (330) feet to any property line, lease line, or subdivision line and no vertical 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 in the 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: The acreage assigned to an individual oil well shall be known as a proration unit. The standard drilling and proration units are established hereby to be TWENTY (20) acres. No proration unit shall consist of more than TWENTY (20) 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. If after the drilling of the last well on any lease after such lease has been drilled to its final density, may have credit for a maximum of THIRTY (30) acres, provided the size of the tract so warrants. Acreage units or fractions thereof, whether containing more or less than TWENTY(20) acres, will be considered for proration purposes on the basis of actual acreage assigned to the individual well. The maximum diagonal limitation in this field is TWO THOUSAND ONE HUNDRED (1,320) feet.

RULE 4: The maximum daily oil allowable for each well in the subject field shall be 82 barrels of oil per day and the actual allowable for an individual well shall be determined by the sum total of the two following values:

1. Each well shall be assigned an allowable equal to the top allowable established for a well having a proration unit containing the maximum acreage authorized exclusive of tolerance acreage multiplied by SEVENTY FIVE percent (75%) and by then multiplying this value by a fraction, the numerator of which is the acreage assigned to the well and the denominator of which is the maximum acreage authorized for a proration unit exclusive of tolerance acreage.
2. Each well shall be assigned an allowable equal to TWENTY FIVE percent (25%) of the maximum daily oil allowable above.

Done this 13th day of November, 2014.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Divisions' Unprotected Master
Order dated November 13, 2014)**