

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 08-0288418**

**IN THE DEEP ROCK (GLORIETTA
5950) FIELD, ANDREWS COUNTY,
TEXAS**

**FINAL ORDER
AMENDING AND RENUMBERING THE FIELD RULES
DEEP ROCK (GLORIETTA 5950) FIELD,
ANDREWS COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on May 29, 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 Field Rules for the Deep Rock (Glorietta 5950) Field, Andrews County, Texas, are hereby amended, and are set out in their entirety as follows:

RULE 1: The entire correlative interval from from 5,552 feet to 6,006 feet, as shown on the log COG Operating, LLC's Deep Rock Etal A Lease, Well No. 9G (API No. 42-003-39833) in the PSL Survey, Section 5, Block A46, Abstract 2131 in Andrews County, shall be a single reservoir for proration purposes and shall be designated as the Deep Rock (Glorietta 5950) 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. There is no between well spacing limitation. 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 shall be known as a proration unit. The standard drilling and proration units are established hereby to be FORTY (40) acres. Each proration unit containing less than FORTY (40) acres shall be a fractional proration unit. Provided however that, in the case of a long and narrow lease 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 limitation 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 gas. 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 FORTY (40) acres, then and in such event the remaining unassigned acreage up to and including a total of TWENTY (20) 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 maximum diagonal on FORTY (40) acres in this field is 2,100 feet.

An operator, at his option, shall be permitted to form optional drilling units of TWENTY (20) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit. The maximum diagonal on TWENTY (20) acres in this field is 1,500 feet.

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 maximum daily oil allowable for a well in the field shall be determined by multiplying the applicable Statewide Rule 45 Yardstick Allowable. The actual allowable for an individual oil well shall be determined by the sum total of the two following values:

- a. SEVENTY-FIVE percent (75%) is multiplied by a fraction of which the numerator contains the acreage assigned to the individual well and the denominator is the maximum assignable acreage to a well in the field; and,
- b. TWENTY-FIVE percent (25%) of the field's total allowable shall be allocated equally among all the individual prorable wells producing from the field.

Done this 13th day of November, 2014.

RAILROAD COMMISSION OF TEXAS

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