

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 03-0294343**

**IN THE THE KURTEN (BUDA) FIELD,
BRAZOS COUNTY, TEXAS**

**FINAL ORDER
AMENDING FIELD RULES FOR THE KURTEN (BUDA) FIELD,
BRAZOS COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on January 15, 2015, 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 field rules for the Kurten (Buda) Field established in Oil & Gas Docket No. 3-77,050 on October 5, 1981, as amended, are hereby amended. The field rules for the Kurten (Buda) Field are set out in their entirety below:

RULE 1: The entire correlative interval from 8,346 feet to 8,763 feet as shown on the log of the W. Presnel Lease, Well No. 1 (API No. 42-041-30876), Brazos County, Texas, shall be designated as a single reservoir for proration purposes and shall be designated as the Kurten (Buda) Field.

RULE 2: No oil or gas well shall hereafter be drilled nearer than **FOUR HUNDRED SIXTY-SEVEN (467)** feet to any property line, lease line or subdivision line. No well for oil or gas shall hereafter be drilled nearer than one thousand two hundred (1,200) feet to any well completed in or drilling to the same reservoir on the same lease, unitized tract, or farm. Provided, however, that the Commission will, in order to prevent waste or to prevent the confiscation of property grant exceptions to permit drilling within shorter distances 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 this rule 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. 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 proration unit.

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 the prescribed proration unit. No proration unit shall consist of more than one hundred sixty (160) acres except as hereinafter provided, and the two farthestmost points in any proration unit shall not be in excess of five thousand (5,000) 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, however, 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 lease acreage of less than one hundred sixty (160) acres, then and in such event the remaining unassigned lease acreage up to and including a total of forty (40) acres may be assigned 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 meets the limitations prescribed by the Commission.

An operator, at his option, shall be permitted to form fractional units of eighty (80) acres, with a proportional acreage allowable credit for a well on such unit with the two farthestmost points of such eighty (80) acre fractional unit not greater than three thousand two hundred fifty (3,250) 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 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.

RULE 5: Proration Units for Horizontal Wells

(1) For the purpose of allocating allowable oil production, acreage may be assigned to each Horizontal Drainhole Well up to the acreage determined by the following formula:

$$A = (L \times 0.11488) \text{ acres} + 160 \text{ acres}$$

Where "A" is the assignable acreage and "L" is the horizontal well displacement in feet.

a) Provided, however, that no such calculation shall be made unless L is at least 150 feet, and provided further that the result shall be rounded upward to the next number of acres evenly divisible by 40; and,

b) Notwithstanding that the acreage that may be assigned is to be determined by the above formula, horizontal wells may be drilled on units of the size, including optional 80-acre size, applicable to vertical wells.

(2) The acreage determined by the above formula is the acreage prescribed for assignment to the well, but the operator may assign a lesser amount.

(3) All points on the Horizontal Drainhole must be within the proration and drilling unit.

(4) The maximum diagonal for each proration unit containing the Horizontal Drainhole Well shall not exceed the greater of the maximum diagonal allowed for a vertical well with the same acreage assigned or the number of feet determined by the following formula (rounded to the nearest 100 feet):

$$\text{Maximum diagonal} = 475.933 \sqrt{A}, \text{ but not less than } 2,000 \text{ feet plus the Horizontal Drainhole Displacement.}$$

Where A = the acres actually assigned to the proration unit.

Done this 24th day of March, 2015.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotected Master
Order dated March 24, 2014)**