

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 7C-0294346**

**IN THE VAUGHN CONSOLIDATED
FIELD, CROCKETT COUNTY, TEXAS**

**FINAL ORDER
CONSOLIDATING THE VAUGHN FIELD AND THE VAUGHN (QUEEN) FIELD
INTO THE PROPOSED VAUGHN CONSOLIDATED FIELD AND
ADOPTING FIELD RULES FOR THE PROPOSED VAUGHN CONSOLIDATED FIELD,
CROCKETT COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on January 6, 2015, 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 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 Vaughn Field (ID No. 93264 001) and the Vaughn (Queen) Field (ID No. 93264 400) are hereby consolidated into the Vaughn (Consolidated) Field, (ID No. 93264 150), Crockett County, Texas.

Wells in the subject fields shall be transferred to the Vaughn (Consolidated) Field, without requiring new drilling permits and plats. Wells in the subject fields shall be classified as oil wells for proration purposes. Operators of gas wells shall file well record-only Form W-2 completion reports and Form P-4 Certificates of Compliance and Transportation Authority to reclassify the wells to oil wells.

It is further **ORDERED** that the following Field Rules be adopted for the Vaughn (Consolidated) Field:

RULE 1. The entire correlative interval from 732 feet to 2,000 feet, as shown on the log of the Wintershall Oil & Gas Corp., J. M. Shannon Estate "B" Lease, Well No. 35, API No. 42-105-35209, Section 4, Block UV, GC & SF RR Co. Survey, Crockett County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Vaughn (Consolidated) Field.

RULE 2. No well for oil or gas 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 to be **TEN (10)** acres. No proration unit shall consist of more than **TEN (10)** 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 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 **TEN (10)** acres, then and in such event the remaining unassigned lease acreage up to and including a total of **FIVE (5)** 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 optional drilling and proration units of **FIVE (5)** acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit. There is no maximum diagonal limitation in this field.

For the determination of acreage credit in this field, operators shall file for each well in this field a Form P-1 5 Statement of Productivity of Acreage Assigned to Proration Units. On that form or an attachment thereto, the operator shall not be required to show individual proration units, but may list the number of acres that are being assigned to each well on the lease or unit for proration purposes. Provided further, that if the acreage assigned to any well 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. Oil wells in the field are classified as salvage for oil proration purposes with no allowable restrictions on oil or casinghead gas.

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, 2015)**