

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 7C-0296234**

**IN THE OLSON FIELD, CROCKETT
COUNTY, TEXAS**

**FINAL ORDER
AMENDING FIELD RULES FOR THE OLSON FIELD,
CROCKETT COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on May 26, 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 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 adopted in Final Order No. 7C-34,149, effective December 1, 1945, as amended, for the Olson Field, Crockett County, Texas, are hereby amended. The amended Field Rules are set out in their entirety as follows:

RULE 1: No well for oil or gas shall hereafter be drilled nearer than TWO HUNDRED THIRTY-THREE (233) feet to any property line, lease line or subdivision line. There is no between well spacing requirement. 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 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 rule 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 2: The acreage assigned to the individual oil well for the purpose of allocating allowable oil production thereto 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 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 TWENTY (20) acres, then and in such event the remaining unassigned acreage up to and including a total of TEN (10) 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.

An operator, at his option, shall be permitted to form optional drilling and fractional proration units of TEN (10) acres, with a proportional acreage allowable credit for a well on fractional proration units.

For the purpose of assigning additional acreage to a horizontal well pursuant to Statewide Rule 86, the distance from the first take point to the last take point in the horizontal drainhole well shall be used in such determination, in lieu of the distance from penetration point to terminus.

For the determination of acreage credit in this field, operators shall file for each well in this field a Form P-15 Statement of Productivity of Acreage Assigned to Proration Units or Form P-16 Data Sheet, Acreage Designation. 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. Operators shall not be required to file plats with the Form P-15 or Form P-16. Operators may, however, file such proration unit plats for individual wells in the field if they choose. 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. There is no maximum diagonal limitation in this field.

It is further **ORDERED** by the Railroad Commission of Texas that the most efficient rate of production for the Olson Field, Crockett County, Texas, is established at 200 barrels of oil per day.

Done this 14th day of July, 2015.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Divisions' Unprotested Master
Order dated July 14, 2015)**