

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 08-0297184**

**IN THE SHIPLEY (GLORIETA-
CLEARFORK) FIELD, WARD COUNTY,
TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF WILLIAMS OIL COMPANY
TO AMEND FIELD RULES FOR
THE SHIPLEY (GLORIETA-CLEARFORK) FIELD,
WARD COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on August 28, 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.

It is further **ORDERED** by the Commission that special field rules are hereby adopted for the Shipley (Glorieta-Clearfork) Field, and are set out in their entirety as follows:

RULE 1: The correlative interval from 3,723 feet to 4,166 feet, as shown on the log of the for the Wristen Brothers (Tract-A) Lease, Well No. 85-CF (API No. 42-475-10868) in the H&TC Survey, Block 5, Section 18, Ward County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Shipley (Glorieta-Clearfork) 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 for the purpose of allocating allowable oil production thereto shall be known as a proration unit. The standard drilling and proration units for oil wells are established hereby to be Forty (40) acres. No proration unit shall consist of more than Forty (40) 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 allowed.

An operator, at its 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.

Additional acreage may be assigned to each horizontal drainhole oil well in accordance with Statewide Rule 86. 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 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 oil or gas well in this field a Form P-15 Statement of Productivity of Acreage Assigned to Proration Units. 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. For oil and gas wells, operators shall be required to file, along with the Form P-15, a plat of the lease, unit or property; provided that such plat shall not be required to show individual proration units. There is no maximum diagonal limitation in the Shipley (Glorieta-Clearfork) Field.

RULE 4: The maximum daily oil allowable for a well in the field shall be determined by multiplying the applicable yardstick allowable for a well in the field by a fraction, the numerator of which is the acreage assigned to the well for proration purposes and the denominator of which is the maximum acreage authorized by these field rules for proration purposes, exclusive of tolerance acreage. The daily oil allowable for a well in the field shall be adjusted in accordance with Statewide Rule 49(a) when applicable.

Done this 17th day of November, 2015.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Divisions' Unprotested Master
Order dated November 17, 2015)**