

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 03-0299130**

**IN THE BB (COCKFIELD) FIELD,
GRIMES COUNTY, TEXAS**

**FINAL ORDER
ADOPTING PERMANENT FIELD RULES
FOR THE BB (COCKFIELD) FIELD
GRIMES COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on February 19, 2016, 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 following Permanent Field Rules shall be adopted for the BB (Cockfield) Field, Grimes County, Texas.

RULE 1: The entire correlative interval is from 2,870' to 2,895' as shown on a portion of the Platform Express – BHC Sonic, Array Induction, Compensated Neutron, 3 Detector Litho Density, GR, SP, DT log of the BNP Petroleum Corporation, Walkoviak Lease Well No. 1, API No. 42-185-30732, located in the M. Evans Survey A-191, Grimes County, Texas.

RULE 2: No well for oil shall hereafter be drilled nearer than ONE HUNDRED FIFTY (150) feet to any property line, lease line or subdivision line and no well shall be drilled nearer than THREE HUNDRED (300) feet 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. 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 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 FORTY (40) acres. No proration unit shall consist of more than FORTY (40) 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.

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 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 units of TEN (10) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit.

Operators shall file with the Commission a Form P-15 to designate the number of acres to be assigned to individual wells along with a plat of the entire lease, no requirement to file individual well proration unit plats and no maximum diagonal limitation, provided however that an operator may file individual proration plats if they so desire.

RULE 4: Allocation based on 100% acres with a top oil allowable based on the 1965 Yardstick Allowable upon expiration of the Discovery Allowable in July 2017.

Done this 11th day of October, 2016.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures
affixed by Hearings Divisions'
Unprotested Master Order dated
October 11, 2016)**