

**RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION**

**OIL AND GAS DOCKET
NOS. 0246059, 0247964, 0247901
and 0247902**

**SLAUGHTER FIELD
HOCKLEY COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATIONS OF BASS ENTERPRISES
PRODUCTION CO. FOR EXCEPTIONS TO THE COMMISSION'S STATEWIDE
RULES 11, 37, 26, 27, 51, 52, 53, & 86
AND RULE 13 OF THE FIELD RULES FOR THE SLAUGHTER FIELD
FOR ITS SUN-DENTON 6 & 7; SLAUGHTER, S.A. "B" NOS. 38H & 43H;
R.L. SLAUGHTER, JR. TR. 33 NO. 41A, AND
SLAUGHTER (SAN ANDRES) TR. 20 NO. 25H WELLS**

By these applications, Bass Enterprises Production Co. ("Bass") seeks authority to re-enter three existing wellbores and drill new lateral extensions of the vertical wellbores across portions of the drillsite lease for the vertical well and the adjoining lease or unit in order to complete portions of lateral extension patterns within its existing waterflood operations on these leases. In order to drill and produce the proposed lateral completions across lease lines, exceptions to several Commission Statewide Rules, and one Slaughter Special Field Rule will be necessary in order to (1) allow the wellbore to cross lease lines; (2) obtain spacing exceptions; (3) approve surface commingling of the oil and gas; (4) provide exceptions to normal testing requirements for wells; (5) allocate the commingled production; and (6) comply with certain provisions of Rule 86 governing horizontal wells.

The Commission finds that, after statutory notice and hearing in the above numbered dockets on July 28, 2006, 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 applications are in compliance with all statutory requirements; and that these proceedings were 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 Bass Enterprises Production Co. be granted exceptions to the Rules set forth in Paragraph 1 below, for the wells set forth in paragraph 2 below:

1.
 - a) SWR 11(a) - The wellbores are authorized to cross lease/property lines as requested;
 - b) SWR 37 - The wells may be drilled to lease line (0' from lease line);
 - c) SWR 86(b)(2)- Exception to lease line spacing for lateral is granted;
 - d) SWR 86(f)(2)- Drilling unit plat requirement is waived; the leases have Entity for Density authority until fully developed;
 - e) SWR 86(f)(4)- Proration unit plat requirement is waived; the leases have Entity for Density authority until fully developed;
 - f) SWR 26- Surface commingling of oil between leases prior to measurement is permitted; Form P-17 has been approved for these wells. (Please attach a copy of this Final Order with the Form P-17 filing for processing.)
 - g) SWR 27- Surface commingling of gas between leases prior to measurement is permitted; Form P-17 has been approved for these wells. (Please attach a copy of this Final Order with the Form P-17 filing for processing.)
 - h) SWR 51- Oil potential test and completion reports for wells may be performed by the proposed allocation method;
 - i) SWR 52- Oil well allowable production; well tests for allowables; the proposed allocation formula is approved;
 - j) SWR 53- Annual well tests; the proposed allocation formula is approved;

Slaughter Field Rules

- k) Rule 13- Daily potential to be determined by 6 hour open flow test; the proposed allocation formula is approved;

2.

<u>Lease No.</u>	<u>Lease Name</u>	<u>Well No.</u>	<u>Drilling Permit Status No.</u>	<u>Rule 37 Case No.</u>
<u>Sun Denton 6 Horizontal Re-entry</u>				
06015	Sun-Denton	6	613177	0246059
06014	Slaughter, S.A. "B"	38H	621038	0246059
<u>Sun Denton No. 7 Horizontal Re-entry</u>				
06015	Sun-Denton	7	621175	0247964
06014	Slaughter, S.A. "B"	43H	621176	0247964
<u>Slaughter Tr. 33 No. 41A Horizontal Re-entry</u>				
16501	R.L. Slaughter, Jr. Tr. 33	41A	620929	0247901
60283	Slaughter (San Andres) Tr. 20	25H	620932	0247902

Done this 12th day of September, 2006.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by OGC
Unprotested Master Order dated September 12,
2006)**