

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
HEARINGS SECTION**

**OIL AND GAS DOCKET
NO. 09-0269518A**

**IN THE SIVELLS BEND (ELLENBERGER)
FIELD, COOKE COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF CHAPARRAL ENERGY, LLC
FOR A NEW FIELD DESIGNATION AND ADOPTING FIELD RULES FOR THE
SIVELLS BEND (ELLENBERGER) FIELD
COOKE COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on March 29, 2011, 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 application of Chaparral Energy, LLC for a new field designation for its Starnes Trust Unit, Well No. 1, is hereby approved. The new field shall be known as the Sivells Bend (Ellenberger) Field (RRC Field No. 83816 250), Cooke County, Texas.

It is further **ORDERED** that the following Field Rules are hereby adopted for the Sivells Bend (Ellenberger) Field, Cooke County, Texas:

RULE 1: The entire correlative interval from 8,685 feet to 9,200 feet as shown on the log for the Chaparral Energy, LLC - Starnes Trust Unit, Well No. 1 (API No. 42-097-34180), J. McKerley Survey, A-639, Cooke County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Sivells Bend (Ellenberger) Field.

RULE 2: No well for oil or gas shall hereafter be drilled nearer than FOUR HUNDRED SIXTY SEVEN (467) feet to any property line, lease line or subdivision line and no well shall be drilled nearer than NINE HUNDRED THIRTY THREE (933) 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. 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 Rule 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 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. 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 FORTY (40) acres, then and in such event the remaining unassigned acreage up to and including a total of TWENTY (20) 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.

There is no maximum diagonal limitation in this field and operators are not required to file proration unit plats for individual wells in the field.

RULE 4: The maximum daily oil allowable for each well in the subject field shall be 350 barrels of oil per day and the actual allowable for an individual well shall be determined by the sum total of the two following values:

- a. Each well shall be assigned an allowable equal to FIFTY percent (50%) of the maximum daily oil allowable above.
- b. Each well shall be assigned an allowable equal to its potential based on the most recent well test filed with the Commission multiplied by FIFTY percent (50%), provided that this value shall not exceed 350 barrels of oil per day multiplied by FIFTY percent (50%).

Done this 9th day of May, 2011.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated May 9,
2011)**