

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

**OIL AND GAS DOCKET  
NO. 02-0262866**

**FINAL ORDER  
CONSOLIDATING VARIOUS HEYSER FIELDS INTO A NEW FIELD  
CALLED THE HEYSER (F-SERIES) FIELD AND  
ADOPTING FIELD RULES FOR THE  
HEYSER (F-SERIES) FIELD  
VICTORIA AND CALHOUN COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on September 18, 2009, 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 fields listed on Appendix A located in Victoria and Calhoun Counties, Texas, are hereby combined into a new field called the Heyser (F-Series) Field (No. 40957 175):

It is further ordered that the following rules are adopted for the Heyser (F-Series) Field:

**RULE 1:** The entire correlative interval from 5,128 feet to 5,435 feet, as shown on the Induction log of the Triangle Three Resources, LLC, L. M. Diemer Well No. 3, API No. 469-34099, J.E. Galban Survey, A-34, Victoria County, shall be designated as a single reservoir for proration purposes and be designated as the Heyser (F-Series) Field.

**RULE 2:** No oil or gas well shall hereafter be drilled nearer than THREE HUNDRED THIRTY (330) feet to any property line, lease line or subdivision line and no 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. The Commission will grant exceptions to permit drilling within shorter distances and drilling more wells than herein prescribed whenever the Commission determines 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 or gas well 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. There is no maximum diagonal limitation.

No gas well proration unit shall contain more than FORTY (40) acres; provided however, that tolerance acreage of ten (10) percent shall be allowed for each proration unit so that an amount not to exceed a maximum of FORTY FOUR (44) acres may be assigned to each gas well. Each proration unit containing less than FORTY (40) acres shall be a fractional proration unit. There is no maximum diagonal limitation.

If after the drilling of the last oil 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.

An operator, at his option, shall be permitted to form optional drilling and fractional proration units of TEN (10) acres. There is no maximum diagonal limitation for these optional units.

There is no maximum diagonal limitation in this field and operators are not required to file Form P-15 and plats, except an as-drilled plat showing the path, penetration point and terminus of all drainholes in horizontal wells.

**RULE 4a:** The subject field shall be designated as associated-prorated. The daily allowable production of gas from individual wells completed in the subject field shall be determined by allocating the allowable production, after deductions have been made for wells which are incapable of producing their gas allowables, among the individual wells in the following manner:

TWENTY-FIVE percent (25%) of the field's total allowable shall be allocated equally among all the individual proratable wells producing from the field.

SEVENTY-FIVE percent (75%) of the field's total allowable shall be allocated among the individual wells in the proportion that the deliverability of such well, as evidenced by the most recent G-10 test filed with the Railroad Commission bears to the summation of the deliverability of all proratable wells producing from the field.

**RULE 4b:** The maximum daily oil allowable for each well in the subject field shall be 102 barrels of oil per day, upon expiration of the discovery allowable, 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 its potential based on the

most recent well test filed with the Commission multiplied by 75%, provided that this value shall not exceed 102 barrels of oil per day multiplied by 75%.

- b. Each well shall be assigned an allowable equal to 25% of the maximum daily oil allowable above.

It is further ordered that the allocation formula in the Heyser (F-Series) Field will be suspended. The allocation formula may be reinstated administratively, in accordance with the Commission's rules, if the market demand for gas in the Heyser (F-Series) Field drops below 100% of deliverability.

Done this 22<sup>nd</sup> day of October, 2009.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotested Master Order dated  
October 22, 2009)**

Attachment "A"

<u>Field Name</u>	<u>Field Number</u>
HEYSER (F-34)	40957 022
HEYSER (F-36)	40957 044
HEYSER (F-37)	40957 055
HEYSER (F-38)	40957 066
HEYSER (F-39)	40957 077
HEYSER (F-40)	40957 088
HEYSER (F-41)	40957 110
HEYSER (F-44)	40957 132
HEYSER (F-47)	40957 154