

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

**OIL AND GAS DOCKET  
NO. 03-0273764**

**IN THE HIGHBAUGH  
(CONSOLIDATED) FIELD, TYLER  
COUNTY, TEXAS**

**FINAL ORDER  
CONSOLIDATING VARIOUS HIGHBAUGH FIELDS INTO A NEW FIELD  
CALLED THE HIGHBAUGH (CONSOLIDATED) FIELD AND  
ADOPTING FIELD RULES FOR THE  
HIGHBAUGH (CONSOLIDATED) FIELD  
TYLER COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on January 4, 2012, 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 fields located in Tyler County, Texas, are hereby combined into a new field called the Highbaugh (Consolidated) Field (ID No. 41307 025):

| <u>FIELD NAME</u>               | <u>FIELD NUMBER</u> |
|---------------------------------|---------------------|
| Highbaugh (Geronimo-Wilcox SD.) | 41307 050           |
| Highbaugh (Geronimo LO. WX)     | 41307 051           |
| Highbaugh (Geronimo Oil)        | 41307 063           |
| Highbaugh (Gregory)             | 41307 065           |
| Highbaugh (L. Geronimo E. "A")  | 41307 067           |
| Highbaugh (Wilcox A-2 Sand)     | 41307 075           |
| Highbaugh (Wilcox Odom Sand)    | 41307 081           |
| Highbaugh (Wilcox Rochna Sand)  | 41307 087           |
| Highbaugh (Wilcox 8700 Sand)    | 41307 093           |
| Highbaugh (Wilcox 9600 Sand)    | 41307 100           |
| Highbaugh (Wilcox 9800 Sand)    | 41307 200           |

Wells in the subject fields shall be transferred into the Highbaugh (Consolidated) Field without requiring new drilling permits.

It is further **ORDERED** that the following Field Rules are adopted for the Highbaugh (Consolidated) Field:

**RULE 1:** The entire correlative interval from 8,500 feet to 9,900 feet as shown on the log of the Pecos Petroleum Company - Arco Fee Lease, Well No. 3 (API No. 42-457-30466), I. MC Mahan Survey, A-769, Tyler County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Highbaugh (Consolidated) Field.

**RULE 2:** No well for oil or gas 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 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. The standard drilling unit shall remain FORTY (40) acres per well.

In applying this rule, the general order of the Commission with relation to the subdivision of property shall be observed.

Operators shall file with the Commission certified plats of their properties in said field, which plats shall set out distinctly all of those things pertinent to the determination of the acreage credit claimed for each well; provided that if the acreage assigned to any proration unit has been pooled, the operator shall furnish the Commission with such proof as it may require as evidence that interests in and under such proration unit have been so pooled.

**RULE 3a:** The gas field shall be classified 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 proportion that the acreage assigned such well for proration purposes bears to the summation of the acreage with respect to all proratable wells producing from the same reservoir.

**RULE 3b:** The maximum daily oil allowable for each well in the subject field shall be the 1965 Yardstick Allowable of 142 barrels of oil per day and the actual allowable for an individual well shall be determined by multiplying the 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.

Done this 24<sup>th</sup> day of January, 2012.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotested Master Order dated  
January 24, 2012)**