

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

**OIL AND GAS DOCKET
NO. 08-0270155**

**IN THE PARKER (WOLFCAMP
CONSOLIDATED) FIELD, ANDREWS
COUNTY, TEXAS**

FINAL ORDER

**APPROVING THE APPLICATION OF CHEVRON MIDCONTINENT, L.P. TO
CONSOLIDATE THE PARKER (WOLFCAMP) AND PARKER (PENNSYLVANIAN)
FIELDS INTO THE PARKER (WOLFCAMP CONSOLIDATED) FIELD AND TO
ADOPT FIELD RULES FOR THE PARKER (WOLFCAMP CONSOLIDATED) FIELD,
ANDREWS COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on August 09, 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 following fields located in Andrews County, Texas, are hereby combined into a new field called the Parker (Wolfcamp Consolidated) Field, Field ID No. 69193 800.

<u>FIELD NAME</u>	<u>FIELD ID NUMBER</u>
Parker (Wolfcamp)	69193 710
Parker (Pennsylvanian)	69193 568

It is further **ORDERED** by the Commission that the following rules are hereby adopted for the Parker (Wolfcamp Consolidated) Field:

RULE 1: Designation of the field as the correlative interval from 8,556 feet to 9,740 feet, as shown on the log of the Union Oil of California, Bessie O. Parker "11" Lease, Well No. 1 (now the Parker Unit 28-11A), API No. 42-003-35610, Section 11, Block A-43, P.S.L. Survey, Andrews County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Parker (Wolfcamp Consolidated) Field.

RULE 2: No well for oil shall hereafter be drilled nearer than FOUR HUNDRED SIXTY-SEVEN (467) feet to any property line, lease line, or subdivision line and no vertical well shall be drilled nearer than ONE THOUSAND ONE HUNDRED TWENTY (1,120) 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 in the field. 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 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 an individual oil 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. 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. The maximum diagonal limitation in this field is TWO THOUSAND ONE HUNDRED (2,100) feet.

RULE 4: The maximum daily oil allowable for each well in the subject field shall be 142 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:

1. Each well shall be assigned an allowable equal to the top allowable established for a well having a proration unit containing the maximum acreage authorized exclusive of tolerance acreage multiplied by SEVENTY FIVE percent (75%) and by then multiplying this value by a fraction, the numerator of which is the acreage assigned to the well and the denominator of which is the maximum acreage authorized for a proration unit exclusive of tolerance acreage.

2. Each well shall be assigned an allowable equal to TWENTY FIVE percent (25%) of the maximum daily oil allowable above.

Done this 13th day of September, 2011.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated
September 13, 2011)**