

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

**OIL AND GAS DOCKET
NO. 01-0275213**

**IN THE TWO M (GEORGETOWN) FIELD,
MAVERICK COUNTY, TEXAS**

**FINAL ORDER
ADOPTING FIELD RULES FOR THE
TWO M (GEORGETOWN) FIELD
MAVERICK COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on April 12, 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 Field Rules shall be adopted for the Two M (Georgetown) Field, Maverick County, Texas:

RULE 1: The entire correlative interval from 2,200 feet to 2,865 feet as shown on the log of The Exploration Resources Company - Burr C Lease, Well No. 1-93 (API No. 42-323-32959), Section 93, Block 4, I&GN RR Co. Survey, A-901, Maverick County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Two M (Georgetown) 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. There is no between well spacing limitation. 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 either 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. The standard drilling unit shall remain **FORTY (40)** acres.

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. There is no maximum diagonal limitation in this field.

RULE 3a: The gas field shall be classified as associated-prorated. The daily allowable production of gas from individual wells completed in an associated-prorated gas reservoir of 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 a well in the field shall be determined by multiplying the 1965 Yardstick Allowable of 78 barrels of oil per day 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.

It is further **ORDERED** that the allocation formula in the Two M (Georgetown) Field will remain suspended. The allocation formula may be reinstated administratively, in accordance with the Commission's rules, if the market demand for gas in the Two M (Georgetown) Field drops below 100% of deliverability.

Done this 8th day of May, 2012.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated May 8,
2012)**