

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

**OIL AND GAS DOCKET
NO. 06-0270701**

**IN THE BLOCKER (PAGE) FIELD,
HARRISON COUNTY, TEXAS**

**FINAL ORDER
ADOPTING FIELD RULES FOR THE
BLOCKER (PAGE) FIELD
HARRISON COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on June 16, 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 Field Rules shall be adopted for the Blocker (Page) Field, Harrison County, Texas:

RULE 1: The entire correlative interval from 6,510 feet to 6,540 feet as shown on the log of the Valence Operating Company - Reese Lease, Well No. 1 (API No. 42-203-33819), Section 27, M. Duncan Survey, A-197, Harrison County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Blocker (Page) 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 SIX HUNDRED (600) 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.

For the determination of acreage credit in this field, operators shall file for each oil or gas well in this field a Form P-15 Statement of Productivity of Acreage Assigned to Proration Units. On that form or an attachment thereto, the operator shall list the number of acres that are being assigned to each well on the lease or unit for proration purposes. For oil or gas wells, operators shall be required to file, along with the Form P-15, a plat of the lease, unit or property; provided that such plat shall not be required to show individual proration units.

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 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 this field.

RULE 3b: The maximum daily oil allowable for a well in the field shall be determined by multiplying the 1965 Yardstick Allowable of 111 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.

RULE 4: The permitted gas-oil ratio for all oil wells shall be 10,000 cubic feet of gas per barrel of oil produced. Any oil well producing with a gas-oil ratio in excess of 10,000 cubic feet of gas per barrel of oil produced shall be allowed to produce daily only that volume of gas obtained by multiplying its daily oil allowable, as determined by the allocation formula applicable to the well, by 10,000. The gas volume thus obtained shall be known as the daily gas limit for the well. The daily oil allowable of the well shall then be determined by dividing its daily gas limit, obtained as herein provided, by its producing gas-oil ratio in cubic feet per barrel of oil produced.

It is further **ORDERED** that the allocation formula in the Blocker (Page) 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 Blocker (Page) Field drops below 100% of deliverability.

Done this 26th day of July, 2011.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated July
26, 2011)**