

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

**OIL AND GAS DOCKET
NO. 7C-0254126**

**IN THE AMACKER-TIPPETT
(DEVONIAN) FIELD, UPTON COUNTY,
TEXAS**

**FINAL ORDER
AMENDING FIELD RULES
FOR THE AMACKER-TIPPETT (DEVONIAN) FIELD
UPTON COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on November 27, 2007, 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 Rule 2 and Rule 3 of the field rules adopted in Final Order No. 7-36,863, issued effective December 16, 1957, as amended, for the Amacker-Tippett (Devonian) Field, Upton County, Texas, is hereby amended as follows:

RULE 2:

- a. No vertical well shall hereafter 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, and no vertical well shall be drilled nearer than FOUR HUNDRED SIXTY SEVEN (467) feet to any property line, lease line or subdivision line.
- b. No horizontal drainhole well shall hereafter be drilled such that the penetration point or terminus of a horizontal drainhole within the correlative interval is nearer than ONE HUNDRED (100) feet to any property line, lease line or subdivision line.
- c. For each horizontal drainhole, the distance measured perpendicular to a horizontal drainhole from any point on such horizontal drainhole to any point on any property line, lease line, or subdivision line shall be a minimum of FOUR HUNDRED SIXTY SEVEN (467) feet. No point on a horizontal drainhole within the correlative interval shall be nearer than NINE HUNDRED THIRTY THREE (933) feet to any point on another horizontal well on the same lease, provided that this restriction on spacing between wells shall not apply to horizontal drainhole wells which are parallel or subparallel and do not overlap more than THREE HUNDRED (300) feet.

- d. A horizontal drainhole well may be developed with multiple drainholes and these drainholes shall not be subject to minimum between well spacing with respect to each other nor subject to drainhole length overlap restrictions.
- e. There is no between well spacing requirement between vertical and horizontal wells.

RULE 3: The acreage assigned to the individual gas well for the purpose of allocating allowable gas production thereto shall be known as a proration unit. The standard drilling and proration units are established hereby to be ONE HUNDRED SIXTY (160) acres. No proration unit shall consist of more than ONE HUNDRED SIXTY (160) acres; provided that, tolerance acreage of ten (10) percent shall be allowed for each standard proration unit so that an amount not to exceed a maximum of ONE HUNDRED SEVENTY-SIX (176) acres may be assigned. Each proration unit containing less than ONE HUNDRED SIXTY (160) acres shall be a fractional proration unit.

An operator, at his option, shall be permitted to form optional drilling units FORTY (40) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit.

For the determination of acreage credit in this field, operators shall file for each 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. When the allocation formula in this field is suspended, operators in this field shall not be required to file plats with the Form P-15. When the allocation formula is in effect in this field, 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. Provided further, that if the acreage assigned to any well 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. Operators in this field are exempt from the requirements of Rule 86(f)(4) entitled Proration Unit Plat; however operators must, for each horizontal drainhole, file a plat showing the as-drilled path, penetration point, terminus and, if applicable, perforations or external casing packer, for that horizontal drainhole. All plats referred to in this paragraph may be either a surveyor's plat or a certified plat, at the operator's option.

It is further ordered by the Railroad Commission of Texas that the allocation formula in the Amacker-Tippett (Devonian) 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 Amacker-Tippett (Devonian) Field drops below 100% of deliverability.

Done this 12th day of February, 2008.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by OGC
Unprotested Master Order dated February 12, 2008)**