RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0277456 IN THE WOLFBONE (TREND AREA) FIELD, PECOS, REEVES AND WARD COUNTIES, TEXAS

FINAL ORDER AMENDING TEMPORARY FIELD RULE NOS. 5 AND 6 FOR THE WOLFBONE (TREND AREA) FIELD PECOS, REEVES AND WARD COUNTIES, TEXAS

The Commission finds that after statutory notice in the above-numbered docket hearing on August 16, 2012, the presiding examiners have 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 examiners' report and recommendation, the findings of fact and conclusions of law contained herein, 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 Temporary Field Rule Nos. 5 and 6 adopted in Final Order No. 08-0265981, effective November 30, 2010, as amended, for the Wolfbone (Trend Area) Field, Pecos, Reeves and Ward Counties, Texas, are hereby amended. The amended Temporary Field Rule Nos. 5 and 6 are set out as follows:

RULE 5: An oil well, whether a new drill, rework, recompletion or a newly stimulated well, flowing back oil and frac fluids at a pressure in excess of 300 psi may be administratively granted an exception to the provision of Statewide Rule 13(b)(5)(A) requiring flowing oil wells to be produced through tubing. The exception shall be for a period of up to six months. At the end of the exception period, an operator may obtain one extension for an additional six months if the well continues to flow at a pressure in excess of 300 psi. If a request for extension of an exception is denied, the operator may request a hearing. The operator shall equip the well with tubing and file a revised completion report reflecting the actual completion configuration of the well within 30 days after any exception under this rule expires. Fees for the exception and extension requests provided for in this rule shall only be required in the amount and to the extent, if any, fees are required for exceptions to Statewide Rule 13(b)(5)(A).

RULE 6: All operators of oil wells in the field shall file a Form W-2 (Oil Well Potential Test) within 10 days after an oil well is completed or recompleted in the field.

However, if the productive potential of the well cannot be accurately gauged at the time of the initial test due to fracture stimulation, waterflood operations or similar factors, the Form W-2 may be a "records only" filing detailing the completion date, equipment configuration of the well and other information required by Statewide rule 51(a) and the Form W-2, but excluding productive potential information. When a "records only" Form W-2 is filed, the operator shall file an amended Form W-2 with all required information, including accurate productive potential data, within 180 days of the date the "records only" form W-2 was filed. If such an amended Form W-2 is filed within the prescribed 180 day period, the allowable for the well will be backdated to the date the "records only" W-2 was filed and no waivers from other operators in the field or exceptions to Statewide Rule 51(a) will be required. If a flowing oil well is granted an exception under Rule 5 due to excessive pressure, the amended W-2 for that well shall be filed by the operator of the well within 30 days after any exception under Rule 5 expires, but in no event more than 180 days after the "records only" W-2 was filed.

It is further **ORDERED** that J. Cleo Thompson is hereby granted an exception to Statewide Rules 13(b)(5)(A) and 51(a) in the Wolfbone (Trend Area) Field, Pecos, Reeves and Ward Counties, Texas, for the Perry State 51-6 Lease, Well No. 4 (API No. 42-389-33053), from the date of this order through April 30, 2014, and for the Majestic State 12 Lease, Well No. 1 (API No. 42-389-32724), from the date of this order through April 30, 2013.

It is further **ORDERED** that all over-production in the Wolfbone (Trend Area) Field, Pecos, Reeves and Ward Counties, Texas, is hereby canceled for the following J. Cleo Thompson wells:

LEASE NAME AND WELL NO.	<u>API NUMBER</u>
Majestic State 12 Lease, Well No. 1	42-389-32724
Chevron Minerals 263 Lease, Well No. 1	42-389-32932
Jordan 51-16 Lease, Well No. 3	42-389-32883
Terrill State 36 Lease, Well No. 2	42-389-32787
Ryman 14 Lease, Well No. 1	42-389-32745
Young 269 Lease, Well No. 3	42-389-32985
Young 270 Lease, Well No. 1	42-389-32741

Done this 9th day of April, 2013.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Divisions' Unprotested Master Order dated April 9, 2013)