

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

**OIL AND GAS DOCKET  
NO. 8A-0247421**

**IN THE BROKEN BONE (CONGL.) FIELD,  
COTTLE COUNTY, TEXAS**

**FINAL ORDER  
AMENDING THE FIELD RULES  
FOR THE BROKEN BONE (CONGL.) FIELD  
AND TRANSFERRING WELLS  
COTTLE COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on June 13, 2006, 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 that Rules 2 and 3 of the field rules adopted in Final Order No. 8A-95,063, effective September 24, 1990, as amended, for the Broken Bone (Congl.) Field, Cottle County, Texas, are hereby amended as follows:

**RULE 2:** No gas well 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 SIXTY (660) 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 therefor 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 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 FORTY (40) acres. No proration unit shall consist of more than FORTY (40) 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 FORTY FOUR (44) acres may be assigned. The two farthestmost points in any proration unit shall not be in excess of TWO THOUSAND ONE HUNDRED (2,100) feet removed from each other. Each proration unit containing less than FORTY (40) acres shall be a fractional proration unit. All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of gas. No double assignment of acreage will be accepted.

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.

It is further ordered that the allocation formula for the Broken Bone (Congl.) Field shall remain suspended. The allocation formula may be reinstated administratively, in accordance with the Commission's rules, if the market demand for gas in the Broken Bone (Congl.) Field drops below 100% of deliverability.

It is further **ORDERED** that the following wells be and are hereby transferred from the Rhombochasm (Bend Conglomerate) Field to the Broken Bone (Congl.) Field without any requirement for new drilling permits:

<u>Well</u>	<u>ID No.</u>
Brothers No. 4	162597
Russell No. 2	163690
Brothers No. 6	203845
Russell No. 4	206264
Brothers No. 7	211569
Russell No. 5	211905
Brothers No. 9	213975
Brothers "A" No. 8	213978

Done this 6<sup>th</sup> day of July, 2006.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotested Master Order dated July 6,  
2006)**