

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 8A-0286566**

**IN THE JO-MILL (SPRABERRY) FIELD,
BORDEN COUNTY, TEXAS**

**FINAL ORDER
RENUMBERING AND AMENDING FIELD RULES
FOR THE JO-MILL (SPRABERRY) FIELD
BORDEN COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on February 25, 2014, 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 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 Field Rules adopted in Final Order No. 8A-68,201, effective February 21, 1978, for the Jo-Mill (Spraberry) Field, (46564750), Borden County, Texas, are hereby renumbered and amended. The renumbered and amended Field Rules are set out in their entirety as follows:

RULE 1: The entire correlative interval from from 6,309 feet to 7,706 feet as shown on the Schlumberger Electrical Log of the Gulf Oil Corporation, C.C. Canon Lease, Well No. 1 (API No. 42-033-00359), Sec. 39, Blk 33, T5N, T&P Survey, Borden County, shall be designated as a single reservoir for proration purposes and be designated as the Jo-Mill (Spraberry) Field, (46564750).

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 minimum 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. 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.

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 the individual oil well for the purpose of allocating allowable oil production thereto shall be known as the prescribed proration unit. No proration unit shall consist of more than EIGHTY (80) acres except as hereinafter provided, and the two farthestmost points in any proration unit shall not be in excess of THREE THOUSAND TWO HUNDRED (3200) feet removed from each other; provided, however, that in the case of long and narrow leases or in cases where because of the shape of the lease such is necessary to permit the utilization of tolerance acreage the Commission may after proper showing grant exceptions to the limitations as to the shape of proration units as herein contained. All proration units, however, shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of oil. No double assignment of acreage will be accepted.

If after the drilling of the last well on any lease and the assignment of acreage to each well thereon in accordance with the regulations of the Commission there remains an additional unassigned acreage of less than EIGHTY (80) acres, then and in such event the remaining unassigned lease acreage up to and including a total of FORTY (40) acres may be assigned to the last well drilled on such lease or may be distributed among any group of wells located thereon so long as the proration units resulting from the inclusion of such additional acreage meet the limitations prescribed by the Commission.

An operator, at his option, shall be permitted to form fractional units of FORTY (40) acres, with a proportional acreage allowable credit for each well on such unit with the two farthestmost points of such FORTY (40) acre fractional unit not greater than TWO THOUSAND ONE HUNDRED (2100) feet removed from each other.

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.

RULE 4: The daily total field oil allowable, as fixed by the Commission after deductions have been made for marginal wells, high gas-oil ratio wells and wells which are incapable of producing their allowables as determined hereby, shall be distributed among the remaining producing wells in the field on the following basis:

- a. The daily acreage allowable for each well, after said deductions have been made, shall be that proportion of SEVENTY-FIVE (75) percent of the daily field allowable which the acreage assigned to the well bears to the remaining acreage assigned to all wells in the field.
- b. The daily per well allowable for each well, after said deductions have been made, shall be determined by dividing TWENTY-FIVE (25) percent of the total field daily allowable by the number of producing wells in the field.
- c. The total daily oil allowable for each well shall be the sum of its per well and acreage allowables.

Done this 22nd day of April, 2014.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Divisions' Unprotested Master
Order dated April 22, 2014)**