

RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL AND GAS DOCKET
NO. 10-0275277

IN THE PANHANDLE, WEST
FIELD, CARSON, GRAY,
HARTLEY, HUTCHINSON,
MOORE, OLDHAM AND
POTTER COUNTIES, TEXAS

FINAL ORDER
AMENDING FIELD RULE NO. 3 FOR THE
PANHANDLE, WEST FIELD
CARSON, GRAY, HARTLEY, HUTCHINSON, MOORE,
OLDHAM AND POTTER COUNTIES, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on March 3-15, 2013, 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 Field Rule No. 3 adopted in Final Order No. 112, effective August 27, 1930, as amended, for the Panhandle, West Field, Carson, Gray, Hartley, Hutchinson, Moore, Oldham and Potter Counties, Texas, is hereby amended. The amended Field Rule No. 3 is set out as follows:

RULE 3: The acreage assigned to the individual non-associated 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 SIX HUNDRED FORTY (640) acres. No proration unit shall consist of more than SIX HUNDRED FORTY (640) 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 SEVEN HUNDRED FOUR (704) acres may be assigned. The two farthestmost points in any proration unit shall not be in excess of EIGHT THOUSAND FIVE HUNDRED (8,500) feet removed from each other. Each proration unit containing less than SIX HUNDRED FORTY (640) 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.

An operator, at his option, shall be permitted to form optional drilling and proration units of ONE HUNDRED SIXTY (160) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit. The two farthestmost points of a ONE HUNDRED SIXTY (160) acre fractional proration unit shall not be greater than FOUR THOUSAND FIVE HUNDRED (4,500) 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.

It is further **ORDERED** by the Railroad Commission of Texas that the application of Questa Energy Corporation for suspension of the allocation formula in the Panhandle, West Field is hereby **DENIED**.

Each exception to the examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

This order will not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the order is served on the parties.

Done this 12th day of November, 2013.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN BARRY T. SMITHERMAN

David Porter

COMMISSIONER DAVID PORTER

Christi Craddick

COMMISSIONER CHRISTI CRADDICK

ATTEST:

Ruthie Way

SECRETARY

