

RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

CONSOLIDATED
OIL & GAS DOCKET NOS. 8A-0278263 & 8A-0279792

**APPLICATION OF THE GEORGE R. BROWN PARTNERSHIP, L.P., TO CONSIDER
SURFACE COMMINGLING AUTHORITY PURSUANT TO S.W.R. 26 AND 27 FOR
THE J.W. MORRISON LEASE, WELL NOS. 3, 4, & 5, LYN-KAY (6200) FIELD, KENT
COUNTY, TEXAS**

&

**COMMISSION CALLED HEARING TO PROVIDE THE GEORGE R. BROWN
PARTNERSHIP, L.P., AN OPPORTUNITY TO SHOW CAUSE WHY THEY ARE NOT
IN BREACH OF SURFACE COMMINGLING AUTHORITY PURSUANT TO S.W.R. 26
AND 27 FOR THE J.W. MORRISON LEASE, WELL NOS. 3, 4, & 5, LYN-KAY (6200)
FIELD, KENT COUNTY, TEXAS**

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on February 14, 15, & 26, 2013, the examiners have made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record, and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas. The Commission entered a Final Order in these Consolidated Dockets on February 18, 2014. A timely Motion for Rehearing was filed and granted on May 6, 2014 for the limiting purpose of admitting into the record certain undisputed new facts and making corresponding amendments to the final order. The Final Order entered on February 18, 2014 has been vacated and this order replaces and supercedes that order for all purposes.

The Commission, after review and due consideration of the proposal for decision and the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts as its own the findings of fact and conclusions of laws Nos. 1 through 6 contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

The Commission hereby adopts the following additional findings of fact:

12. Well No. 5 of the J.W. Morrison Lease (61687), Lyn-Kay (6200) Field, Kent County, Texas, was completed in October 2012, and its production was commingled with Well Nos. 3 and 4 beginning in October 2012.
13. Separate oil storage and measurements tanks have been installed for the Morrison Lease (61687) and the Morrison "A" Lease (69907), and since March 1, 2014, production from the Morrison Lease and the Morrison "A" Lease has been, and is being, separately measured from each lease.

The Commission hereby adopts the following substitute conclusions of law:

7. Under the facts of this case the Commission has jurisdiction under SWRs 26 and 58(b) to order an operator that has filed erroneous production reports for past months to file corrected production reports on Commission Form PR for those months as directed by the Commission.
8. Pursuant to SWR 26(b)(3) Protestants' proposed method of allocation will best and more accurately attribute to each interest in the subject wells their fair share of aggregated production, provided that actual measured production volumes for the month of March 2014 for the J.W. Morrison "A" Lease (69907) and the J.W. Morrison Lease (61687) should be used to calculate the percentage of the total production allocable to the Morrison "A" Lease during each month for the period October 2012 through February 2014, and further provided that actual measurement from separate tanks installed on the Morrison Lease (61687) and the Morrison "A" Lease (69907) shall be used for reporting of production from the leases from and after March 1, 2014.

It is accordingly **ORDERED** that The George R. Brown Partnership, L.P.'s Motion to Dismiss its application for a surface commingling authority and its Motion to Dismiss the complaint of G.W. Brock and Whiting Oil and Gas Corporation be **DENIED**.

Further, it is accordingly **ORDERED** the application of The George R. Brown Partnership, L.P. to surface commingle oil production from Well No. 4 on the J.W. Morrison "A" Lease (69907), Lyn-Kay (6200) Field, Kent County, Texas and Well Nos. 3 and 5 on J.W. Morrison Lease (61687), Lyn-Kay (6200) Field, Kent County, Texas, is hereby **APPROVED**.

It is further **ORDERED** by the Commission that, within thirty (30) days after this order becomes final, The George R. Brown Partnership, L.P. must reallocate and file corrected Commission Forms PR for production for the J.W. Morrison "A" Lease (69907) and the J.W. Morrison Lease (61687) for the months of January 2012 through February 2014 in the amounts shown on Exhibit A to this Order.

It is further **ORDERED** by the Commission that, beginning March 2014, actual measurement from the separate tanks installed on the Morrison Lease (61687) and the J.W. Morrison "A" Lease (69907) shall be used for reporting of production from the leases.

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.

It is further **ORDERED** by the Commission that this order shall 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 parties are notified of the order.

Done this 22nd day of May , 2014.

RAILROAD COMMISSION OF TEXAS



CHAIRMAN BARRY T. SMITHERMAN

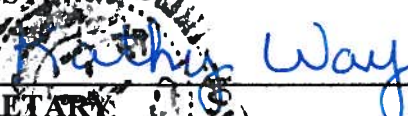


COMMISSIONER DAVID PORTER



COMMISSIONER CHRISTI CRADDICK

ATTEST:

SECRETARY

Proposed Allocation on Railroad Commission PR Reports

Date	Total Production	JW Morrison Allocated Production	JW Morrison "A" Allocated Production	Remarks
1-Jan-12	975	570	405	Allocated as per Whittings proposal to Railroad Commission
1-Feb-12	1789	544	1245	
1-Mar-12	779	574	205	
1-Apr-12	1419	542	877	
1-May-12	1376	566	810	
1-Jun-12	1077	538	539	
1-Jul-12	1087	543	544	
1-Aug-12	881	526 525	355	
1-Sep-12	1311	528	782	
1-Oct-12	1327	1040	287	
1-Nov-12	905	709	196	
1-Dec-12	1015	796	219	
1-Jan-13	1236	969	267	
1-Feb-13	816	640	176	
1-Mar-13	1195	937	258	
1-Apr-13	1211	949	262	
1-May-13	1199	940	259	
1-Jun-13	1102	864	238	
1-Jul-13	1047	821	226	
1-Aug-13	954	748	206	
1-Sep-13	995	780	215	
1-Oct-13	1024	803	221	
1-Nov-13	777	609	168	
1-Dec-13	907	711	196	
1-Jan-14	889	697	192	
1-Feb-14	736	577	159	
1-Mar-14	810	635	175	
				Allocated based on March 2014 Production into Separate Tanks 78.38% to JW Morrison Lease 21.62% to JW Morrison "A" Lease

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EXHIBIT
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