

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 06-0288003**

**IN THE NEW HOPE (COTTON VALLEY)
FIELD, FRANKLIN COUNTY, TEXAS**

**FINAL ORDER
AMENDING FIELD RULES FOR THE NEW HOPE (COTTON VALLEY) FIELD,
FRANKLIN COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on April 21, 2014, 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** by the Railroad Commission of Texas that the field rules for the New Hope (Cotton Valley) Field (ID No. 65157 250) are hereby amended and presented in their entirety below:

RULE 1: The entire correlative interval from 9,447 feet to 10,442 feet as shown on the log of the New Hope Deep Unit Well No. 49D, J. Maximilian Survey, A-306, Franklin County, Texas shall be designated as a single reservoir for proration purposes and be designated as the New Hope (Cotton Valley) Field.

RULE 2: The daily allowable production of gas from individual wells completed in an associated gas reservoir of the subject field shall be determined by allocating allowable production, after deductions have been made for wells which are incapable of producing their gas allowable, among the individual wells in the following manner:

- a. FIVE percent (5%) of the total field allowable shall be allocated equally among the individual prorable wells producing from this field.
- b. NINETY-FIVE percent (95%) of the total field allowable shall be allocated among the individual wells in the proportion that the deliverability of such well, as evidenced by the most recent G-10 test filed with the Railroad Commission bears to the summation of the deliverability of all prorable wells producing from this field.

It is further **ORDERED** by the Railroad Commission of Texas all wells in the New Hope (Cotton Valley) Field are to be tested (Form G-10) on an annual basis; semi-annual well testing is not required for wells in this field. Current well tests to be filed by June 1, 2014 and effective on July 1, 2014 are not required.

This approval is subject to the following conditions:

1. Exception to performing Semi-Annual G-10 Deliverability well tests for all wells in the subject fields is authorized so long as the allocation formula in that specific field is suspended. If the allocation formula is re-instated, operators shall test each well semi-annually beginning with the first Semi-Annual G-10 test period immediately following reinstatement of the allocation formula.
2. Operators shall conduct annual G-10 wells tests in the subject fields according to the schedules for the various fields shown on Exhibits A, B and C, attached hereto.
3. For the second test period each year for each of the subject fields, Operators shall file the most recent G-10 test results on the Commission's computer generated semi-annual G-10 test report. If the actual test date is within the second test period, the actual test date shall be reported on the form. If the actual test date is earlier than the second test period, then the test date shall be reported for record purposes, as the first day of the first month of the second semi-annual test period.
4. All of the requirements of Statewide Rule 28 shall remain in effect except for the semi-annual G-10 well testing requirement.

It is further **ORDERED** that the allocation formula in the New Hope (Cotton Valley Cotton Valley) Field will remain suspended. The allocation formula may be reinstated administratively if the market demand for gas in the New Hope (Cotton Valley) Field drops below 100% of deliverability. If the market demand for gas in the New Hope (Cotton Valley) Field drops below 100% of deliverability while the allocation formula is suspended, the operator shall immediately notify the Commission and the allocation formula shall be immediately reinstated.

Done this 17th day of June, 2014.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division Unprotested Master Order
dated June 17, 2014)**