

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 08-0295887**

**IN THE FORD (WOLFCAMP) AND
FORD (CHANNEL) FIELDS,
CULBERSON AND REEVES
COUNTIES, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF CONOCOPHILLIPS COMPANY
TO CHANGE THE NAME OF THE FORD (WOLFCAMP) FIELD
TO THE FORD (CHANNEL) FIELD,
AND TO AMEND FIELD RULES FOR THE FORD (CHANNEL) FIELD,
CULBERSON AND REEVES COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on April 30, 2015, 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 Ford (Channel) Field, Culberson and Reeves Counties, is hereby designated as a new field (ID No. 31907 200). Wells currently carried in the Ford (Wolfcamp) Field listed on Attachment A shall be transferred into the Ford (Channel) Field without requiring new drilling permits and plats.

It is further **ORDERED** by the Railroad Commission of Texas that the following Field Rules shall be adopted for the Ford (Channel) Field, Culberson and Reeves Counties, Texas:

RULE 1 : The entire correlative interval from 11,527 feet to 12,046 feet, within the incised carbonate channel, as shown on the log of the China Draw Well No. 1, Section 26, Block 58, T-1-S, T & P RR Co./C. A. Ezell Survey, A-843, Culberson County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Ford (Channel) Field.

RULE 2: No gas well shall hereafter be drilled nearer than ONE THOUSAND THREE HUNDRED TWENTY (1,320) feet to any property line, lease line or subdivision line and no well shall be drilled nearer than TWO THOUSAND SIX HUNDRED FORTY (2,640) 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 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 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 THREE HUNDRED TWENTY (320) acres. No proration unit shall contain more than THREE HUNDRED TWENTY (320) acres; provided that, tolerance acreage often (10) percent shall be allowed for each proration unit so that an amount not to exceed a maximum of THREE HUNDRED FIFTY TWO (352) acres may be assigned. The two farthestmost points of any proration unit shall not be in excess of SIX THOUSAND (6,000) feet removed from each other. Each proration unit containing less than THREE HUNDRED TWENTY (320) 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.

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 allowable production of gas from individual wells completed in a non-associated gas reservoir of the subject field shall be determined by allocating the allowable production, after deductions have been made for wells which are incapable of producing their gas allowables, among the individual wells in the following manner:

- a. NINETY FIVE percent (95%) of the total field allowable shall be allocated

among the individual wells in the proportion that the acreage assigned such well for allowable purposes bears to the summation of the acreage with respect to all proratable wells producing from this field.

- b. FIVE percent (5%) of the total field allowable shall be allocated equally among the individual proratable wells producing from this field.

It is further **ORDERED** by the Railroad Commission of Texas that the allocation formula in the Ford (Channel) Field be suspended. The allocation formula may be reinstated administratively if the market demand for gas in the Ford (Channel) Field drops below 100% of deliverability. If the market demand for gas in the Ford (Channel) 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 9th day of June, 2015.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Divisions' Unprotested Master
Order dated June 9, 2015)**

ATTACHMENT A

Wells to be Transferred Without Fees from the Ford (Wolfcamp) Field (ID No. 31907 475) to the Ford (Channel) Field (ID No. 31907 200):

<u>API No.</u>	<u>County</u>	<u>Operator</u>	<u>Well Name & No.</u>	<u>Gas ID No.</u>
109-32192	Culberson	ConocoPhillips Company	China Draw 26 No, 1	174459
109-32198	Culberson	ConocoPhillips Company	Ramsey "35" No. 1	176378
389-32186	Reeves	ConocoPhillips Company	State of Texas "38" No. 1	178713
109-32199	Culberson	ConocoPhillips Company	Texas Pacific Land Trust "23" No. 1	179788
389-32190	Reeves	ConocoPhillips Company	Texas Pacific Land Trust "47" No. 1	182363
389-32198	Reeves	ConocoPhillips Company	State of Texas "48" No. 1	182364
389-32200	Reeves	ConocoPhillips Company	Ramsey "35" No, 2	183506
389-32201	Reeves	ConocoPhillips Company	State of Texas "38" No. 2	184112
109-32202	Culberson	ConocoPhillips Company	China Draw "26" No. 2	186692
389-32219	Reeves	ConocoPhillips Company	Texas Pacific Land Trust 1, Well No. 1	187633
389-32206	Reeves	ConocoPhillips Company	Alexander "24" No. 1	188129
389-32215	Reeves	ConocoPhillips Company	State of Texas "48" No. 2	188133
109-32204	Culberson	ConocoPhillips Company	China Draw "26" No. 3	188147
389-32218	Reeves	ConocoPhillips Company	Texas Pacific Land Trust "37" No. 1	188149
389-32232	Reeves	ConocoPhillips Company	Texas Pacific Land Trust "37" No. 2	189600
109-32213	Culberson	ConocoPhillips Company	Ramsey "38" No. 3	190255
109-32214	Culberson	ConocoPhillips Company	Ramsey "14" No. 1	190701
389-32245	Reeves	ConocoPhillips Company	Texas Pacific Land Trust "25" No. 1H	195777