

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 01-0298041**

**IN THE RINEHART (AUSTIN
CHALK) FIELD, BEXAR COUNTY,
TEXAS**

**FINAL ORDER
AMENDING FIELD RULES FOR THE
RINEHART (AUSTIN CHALK) FIELD
BEXAR COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on October 12, 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 field rules for the RINEHART (AUSTIN CHALK) FIELD are hereby amended, and set out in their entirety as follows:

RULE 1: The entire correlative interval from 1,150 feet to 1,400 feet, as shown on the log of the Atascosa Exploration, LLC., Speedway Bus. PK. Partner, LP Lease, Well No. 1 (API No. 42-029-38307), Jordan, J. Survey (A-374), Bexar County, shall be designated as a single reservoir for proration purposes and be designated as the RINEHART (AUSTIN CHALK) FIELD.

RULE 2: No well for oil or gas shall hereafter be drilled nearer than ONE HUNDRED FIFTY (150) feet to any property line, lease line, or subdivision line. No oil or gas well shall be drilled nearer than THREE HUNDRED (300) feet to any other 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 therefor shall be filed and will be acted

upon in accordance with the provisions of Commission Statewide Rules 37 and 38, which applicable provisions of said rules 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 or gas well for the purpose of allocating allowable oil production thereto shall be known as a proration unit. The standard drilling and proration units are established hereby to be TWO (2) acres. No proration unit shall consist of more than TWO (2) acres except as hereinafter provided. All proration units 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.

For the determination of acreage credit in this field, operators shall file for each oil or gas well in this field a Form P-16 Statement of Productivity of Acreage Assigned to Proration Units. On that form or an attachment thereto, the operators shall list the number of acres that are being assigned to each well on the lease or pooled unit or property provided that such plat shall not be required to show individual proration units. There is no maximum diagonal limitation in this field.

RULE 4: The maximum daily allowable for an oil well in the field shall be determined by multiplying 27 barrels of oil per day by a fraction, the numerator of which is the acreage assigned to the well for proration purposed and the denominator of which is the maximum acreage authorized by these field rules for proration purposes, exclusive of tolerance acreage.

RULE 5: The daily allowable of gas production of gas from individual gas wells completed in the field shall be determined by allocating the allowable production, after deductions have been made for gas wells which are incapable of producing their gas allowables, among the individual gas wells in the proportion that the acreage assigned such gas well for proration purposes bears to the summation of the acreage with respect to all proratable gas wells producing from the same reservoir.

Done this 12th day of January, 2016.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed
by Hearings Divisions' Unprotested
Master Order dated January 12, 2016)**