

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO.
6E-0299254**

**IN THE EAST TEXAS FIELD
(#27302001), GREGG, RUSK, UPSHUR,
CHEROKEE, AND SMITH COUNTIES,
TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF BREITBURN OPERATING, LP
TO INCREASE WATER-OIL RATIO LIMITS, RESCIND GAS-OIL RATIO LIMITS, AND
CANCEL OVERPRODUCTION FOR VARIOUS LEASES,
EAST TEXAS FIELD (#27302001),
GREGG, RUSK, UPSHUR, CHEROKEE, AND SMITH COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on March 16, 2016, 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 application of Breitburn Operating, LP to increase water-oil ratio limits, rescind gas-oil ratio limits, and cancel overproduction for various leases, East Texas Field (#27302001), Gregg, Rush, Upshur, Cherokee, and Smith Counties, Texas, is hereby approved, and it is further **ORDERED** by the Railroad Commission of Texas that:

1. Rule 8 of the special field rules for the East Texas Field is hereby rescinded;
2. Paragraph (A) and the paragraph immediately preceding paragraph (A) of Special Order No. 20-64,900 for wells in East Texas Field (entered effective April 1, 1975) are hereby amended to increase the water-oil ratio limit to 30:1 and to read as follows:

No well in the East Texas Field; Gregg, Rusk, Smith, Cherokee, and Upshur Counties Texas shall be operated with and permitted to produce more than thirty (30)

barrels of water for every barrel of oil produced: provided that

(A) Any oil well producing in excess of thirty (30) barrels of water per barrel of oil produced shall be allowed to produce daily only that number of barrels of water determined by multiplying thirty (30) by the daily oil allowable for said well as computed under the existing allocation formula in effect for the field. The water volume thus obtained shall be known as the daily water limit, in barrels, that said well will be permitted to produce in any one day. The daily oil allowable of such well shall then be determined and assigned by dividing its daily water limit by its producing water-oil ratio, except as hereinafter provided:

Otherwise, this order does not amend or modify Special Order No. 20-64,900; and

3. For wells and leases in East Texas Field, all accumulated overproduction resulting from the prior water-oil ratio or gas-oil ratio limits modified by this order is hereby cancelled. To obtain administrative processing of cancellation of any such overproduction, operators shall submit to the Railroad Commission proration staff a written request identifying the lease by name and identification number.

Done this 24th day of August, 2016.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division Unprotested Master Order
dated August 24, 2016)**