

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET  
NO. 08-0298501**

**IN THE SAND HILLS (MCKNIGHT),  
SAND HILLS (SAN ANGELO, UPPER),  
SAND HILLS (TUBB), SAND HILLS  
(WICHITA ALBANY), AND SAND  
HILLS (WOLFCAMP) FIELDS, CRANE  
COUNTY, TEXAS**

**FINAL ORDER  
GRANTING A BLANKET STATEWIDE RULE 10 EXCEPTION  
TO COMMINGLE DOWNHOLE THE PRODUCTION FROM THE SAND HILLS  
(MCKNIGHT), SAND HILLS (SAN ANGELO, UPPER),  
SAND HILLS (TUBB), SAND HILLS (WICHITA ALBANY) AND  
SAND HILLS (WOLFCAMP) FIELDS, CRANE COUNTY, TEXAS**

The Commission finds that after statutory notice of the application made by Burlington Res O & G Co – Midland in the above-numbered docket heard on November 24, 2015, the presiding Technical Examiner and Administrative Law Judge (collectively “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 Burlington Res O & G Co – Midland for an exception to Statewide Rule 10 is hereby approved for all wells on its Waddell, W. N. et al. Lease, Sand Hills (McKnight), Sand Hills (San Angelo, Upper), Sand Hills (Tubb), Sand Hills (Wichita–Albany), and Sand Hills (Wolfcamp) Fields (“Subject Fields”), Crane County, Texas. For wells which are commingled in the Subject Fields after the effective date of this order, commingled production shall be assigned to the Sand Hills (Wichita–Albany) Field (ID No. 80473744).

Further, acreage assigned to wells on any leases for allocation of allowable shall not be assigned to any other well or wells projected to be completed in the subject fields; such duplicate assignment of acreage is not acceptable, provided however, that this limitation shall not prevent the reformation of development or proration units so long

as no duplicate assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations.

The operator of any well downhole commingled in the subject fields shall file the appropriate drilling permit, completion forms, an abbreviated Statewide Rule 10 Data Sheet for Wells Subject to Fieldwide Statewide Rule 10 exception and shall file at the same time, the appropriate Commission required administrative Statewide Rule 10 exception downhole commingling fee.

It is further **ORDERED** that a Maximum Efficient Rate (MER) of 300 barrels of oil per day is established for all wells on the Waddell, W. N. et al. Lease that are commingling production from the Subject Fields.

It is further **ORDERED** that Burlington Res O & G Co – Midland is granted permission to produce commingled wells on the Waddell, W. N. et al. Lease in the Subject Fields under increased net gas-oil ratio authority with a casinghead gas limit of 1,500 MCFD. It is further **ORDERED** the subject lease's oil allowable shall not be penalized unless the above permitted casinghead gas limit is exceeded. It is further **ORDERED** that all accumulated overproduction for the Waddell, W. N. et al. Lease in the Subject Fields is cancelled for the Waddell, W. N. et al. Lease as of the first of the month after the entry of this order.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 25 days after the Commission's order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). If a timely motion for rehearing of an application 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 Commission Order is signed.

Done this 6th day of December, 2016.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed  
by Hearings Division's Unprotested  
Master Order dated December 6, 2016)**