

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**RULE 37 CASE NO. 0298285
STATUS NO. 810308
DISTRICT 02**

**APPLICATION OF EOG RESOURCES,
INC. FOR AN EXCEPTION TO
STATEWIDE RULE 37 FOR THE
GINOBILI UNIT, WELL NO. 6H,
EAGLEVILLE (EAGLE FORD-2)
FIELD, KARNES COUNTY, TEXAS**

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered case, heard on April 8, 2016, the presiding Administrative Law Judge and Technical Examiner (“Examiners”) have made and filed a proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record, and that this proceeding was duly submitted to the Railroad Commission of Texas at a conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the proposal for decision and the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, 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 EOG Resources, Inc. for an exception permit under the provisions of Statewide Rule 37 for the proposed location of the Ginobili Unit, Well No. 6H, in the Eagleville (Eagle Ford-2) Field be and is hereby **APPROVED**, subject to the conditions set forth below, and as identified in the application and as generally described as a horizontal well located in the Hernandez, HRS A Survey, Abstract No. 4 in Karnes County, approximately 2.3 miles in a north direction from the town of Panna Maria, Texas. The Well is drilled to an approximate depth of 11,000. The surface location of the Well is 626 feet from the northeast line of the Unit boundary and 210 feet from the southeast line of the Unit boundary; it is 2,213 feet from the northwest line of the Hernandez, HRS A Survey, Abstract No. 4 line and 584 feet from the northeast line of the Hernandez, HRS A Survey, Abstract No. 4 line. The terminus location is 30 feet from the northwest line of the Unit boundary and 385 feet from the southwest line of the Unit boundary; it is 8,877 feet from the northeast M. Lopez Survey, Abstract No. 181 line and 951 feet from the southeast M. Lopez Survey, Abstract No. 181 line. The penetration point is 129 feet from the northeast line of the Unit boundary and 503 feet from the southeast line of the Unit boundary.

CONDITIONS

1. **Fresh Water Sand Protection.** The operator must set and cement sufficient surface casing to protect all usable-quality water as defined by the Railroad Commission of Texas (RRC) Groundwater Advisory Unit (GWAU). Before drilling a well, the operator must obtain a letter from the Railroad Commission of Texas stating the depth to which

water needs protection. Write: Railroad Commission of Texas, Groundwater Advisory Unit (GWAU), P.O. Box 12967, Austin, Texas 78711-3087. File a copy of the letter with the appropriate district office.

2. **Permit at Drilling Site.** A copy of the Form W-1 (Drilling Permit Application), the location plat, a copy of Statewide Rule 13 alternate surface casing setting depth approval from the district office, if applicable, and this drilling permit must be kept at the permitted well site throughout the drilling operations.
3. **Notification of Setting Casing.** The operator **MUST** call in notification to the appropriate district office a minimum of eight (8) hours prior to the setting of surface casing, intermediate casing, AND production casing. The individual giving notification **MUST** be able to advise the district office of the docket number.
4. **Producing Well.** Statewide Rule 16 requires that the operator submit a Form W-2 (oil well) or Form G-1 (gas well) to the appropriate Commission district office within thirty (30) days after completion of such well. Completion of the well in a field authorized by this order voids the order for all other fields included in the order unless the operator indicates on the initial completion report that the well is to be a dual or multiple completion and promptly submits an application for multiple completion. All zones are required to be completed before the expiration date of this order.
5. **Dry or Noncommercial Hole.** Statewide Rule 14(b)(2) prohibits suspension of operations on each dry or noncommercial well without plugging unless the hole is cased and the casing is cemented in compliance with Commission rules. If properly cased, Statewide Rule 14(b)(2) requires that plugging operations must begin within a period of one (1) year after drilling or operations have ceased. Plugging operations must proceed with due diligence until completed. An extension to the one-year plugging requirement may be granted under the provisions stated in Statewide Rule 14(b)(2).
6. **Intention to Plug.** The operator must file a Form W-3A (Notice of Intention to Plug and Abandon) with the district office at least five (5) days prior to beginning plugging operations. If, however, a drilling rig is already at work on location and ready to begin plugging operations, the district director or the director's delegate may waive this requirement upon request, and verbally approve the proposed plugging procedures.
7. **Notification of Plugging a Dry Hole.** The operator must call to notify the appropriate district office a minimum of four (4) hours prior to beginning plugging operations. The individual giving notification must be able to advise the district office of the docket number and all water protection depths for that location as stated in the Texas Commission on Environmental Quality letter.
8. **Plugged Wells.** Should this well ever be plugged and abandoned, the Commission will consider such plugging and abandonment as prima facie evidence that production from said well is no longer necessary to prevent confiscation of applicant's property or to

prevent waste; and upon such plugging and abandonment, the authority for such well as granted under this permit shall cease.

9. **Permit Expiration.** This permit expires two (2) years from the date this order becomes administratively final, unless actual drilling operations have begun. The permit period will not be extended.

Each exception to the proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

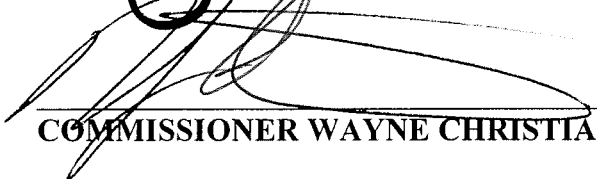
It is further **ORDERED** by the Commission that this order shall not be final and effective until 25 days after the Commission's order is signed, unless the time for filing a motion for rehearing has been extended under TEX. GOV'T CODE § 2001.142, by agreement under TEX. GOV'T CODE § 2001.147, or by written Commission Order issued pursuant to TEX. GOV'T CODE § 2001.146(e). If a timely motion for rehearing 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 parties are notified of this order in accordance with TEX. GOV'T CODE § 2001.144.

Done this 24th day of January, 2017.

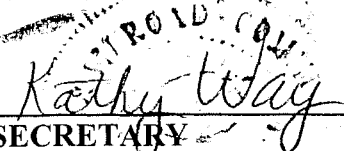
RAILROAD COMMISSION OF TEXAS


CHAIRMAN CHRISTI CRADDICK


COMMISSIONER RYAN SITTON


COMMISSIONER WAYNE CHRISTIAN

ATTEST:


SECRETARY