

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO.  
09-0301496**

**IN THE NEAR (MISS) FIELD,  
HARDEMAN COUNTY, TEXAS**

**FINAL ORDER  
AMENDING THE FIELD RULES  
FOR THE NEAR (MISS) FIELD,  
HARDEMAN COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on September 26, 2016, the presiding Technical Examiner and Administrative Law Judge ("Examiners") have made and filed a proposal for decision containing findings of fact and conclusions of law; that the proposed application complies 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' proposal for decision, 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 Near (Miss) Field (ID No. 64701 250) adopted in Oil & Gas Docket No. 09-0215792 on June 3, 1997, are hereby amended. The field rules for the Near (Miss) Field in Hardeman County, Texas, are hereby laid out in their entirety as follows:

**RULE 1:** The correlative interval from 8,563 feet to 8,690 feet as reflected on the log of the Buffco Production, Inc. – Captain Bill McDonald No. 1 Well (API No. 42-197-31729) shall be designated as a single reservoir for proration purposes and be designated as the Near (Miss.) Field.

**RULE 2:** No well for oil or gas shall hereafter be drilled nearer than **FOUR HUNDRED AND SIXTY-SEVEN (467)** feet to any property line, lease line or subdivision line and no well shall be drilled nearer than **TWELVE HUNDRED (1200)** 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 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 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 THREE HUNDRED TWENTY (320) acres. No proration unit shall consist of more than THREE HUNDRED TWENTY (320) acres except as hereinafter provided. There is no maximum diagonal limitation.

An operator, as his option, shall be permitted to form optional drilling units of EIGHTY (80) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit.

All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of oil. If after the drilling of the last well on any lease and the assignment of acreage to each well thereon in accordance with the regulations of the Commission there remains an additional unassigned acreage of less than EIGHTY (80) acres, then and in such event the remaining unassigned acreage up to and including a total of FORTY (40) acres may be assigned as tolerance acreage to the last well drilled on such lease, or may be distributed among any group of wells located thereon so long as the proration units resulting from the inclusion of such additional acreage meet the limitations prescribed by the Commission.

For the determination of acreage credited in this field, operators shall file for each oil well in this field a Form P-15, Statement of Productivity of Acreage Assigned to Proration Units. On that form or an attachment thereto, the operator shall list the number of acres that are being assigned to each well on the lease or unit for proration purposes. For oil wells, operators shall be required to file, along with Form P-15, a plat of the lease, unit, or property in the field, provided such plats shall not be required to show individual proration units or wells other than the well for which the Form P-15 is being filed. Operators may, however, file such proration unit plats for individual wells in the field if they so choose.

**RULE 4:** The maximum daily oil allowable for a well in the field shall be determined by multiplying the applicable yardstick allowable for a well in the field, the numerator of which is the acreage assigned to the well for proration purposes and the denominator of which is the maximum acreage authorized by these field rules for proration purposes, exclusive of tolerance acreage. The daily oil allowable for a well in the field shall be adjusted in accordance with Statewide Rule 49(a) when applicable.

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 Commission Order is signed.

Done this 24<sup>th</sup> day of January, 2017.

RAILROAD COMMISSION OF TEXAS

*Christi Craddick*  
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CHAIRMAN CHRISTI CRADDICK

*Ryan Sitton*  
\_\_\_\_\_  
COMMISSIONER RYAN SITTON

*Wayne Christian*  
\_\_\_\_\_  
COMMISSIONER WAYNE CHRISTIAN

ATTEST:

*Kathygo Way*  
\_\_\_\_\_  
SECRETARY

