

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO.  
8A-0302395**

**IN THE ACKERLY (DEAN SAND)  
FIELD, DAWSON COUNTY, TEXAS**

**FINAL ORDER  
AMENDING THE FIELD RULES  
FOR THE ACKERLY (DEAN SAND) FIELD  
DAWSON COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on December 21, 2016, the presiding Technical Examiner and Administrative Law Judge ("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 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' 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 Ackerly (Dean Sand) Field (ID No. 00448 200) adopted in Special Order No. 8-36,341 on September 3, 1957, are hereby amended. The field rules for the Ackerly (Dean Sand) Field in Dawson County, Texas, are hereby laid out in their entirety as follows:

**RULE 1:** No well for oil or gas shall hereafter be drilled nearer than NINE HUNDRED (900) feet to any well completed in or drilling to the same reservoir on the same lease, unitized tract or farm, and no well shall be drilled nearer than FIVE HUNDRED AND FIFTY (550) feet to any property line, lease line or subdivision line; provided, however, that the Commission will, in order to prevent waste or to prevent the confiscation of property grant exceptions to permit drilling within shorter distances 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 this rule 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.

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 proration unit.

In applying this rule the general order of the Commission with relation to the subdivision of property shall be observed.

**RULE 2:** The acreage assigned to the individual oil well for the purpose of allocating allowable oil production thereto shall be known as a proration unit. No proration unit shall consist of more than EIGHTY (80) acres except as hereinafter provided, and the two farthestmost points in any proration unit shall not be in excess of THIRTY-TWO

## OIL AND GAS DOCKET NO. 8A-0302395

HUNDRED(3,200) feet removed from each other; provided, however, that in the case of long and narrow leases or in cases where because of the shape of the lease such is necessary to permit the utilization of tolerance acreage the Commission may after proper showing grant exceptions to the limitations as to the shape of proration units as herein contained. All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of oil.

An operator, as his option, shall be permitted to form optional drilling units of FORTY (40) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit.

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.

Operators shall file with the Commission certified plats of their properties in said field, which plats shall set out distinctly all of those things pertinent to the determination of the acreage credit claimed for each well; provided that if the acreage assigned to any proration unit has been pooled, the operator shall furnish the Commission with such proof as it may require as evidence that interests in and under such proration units have been so pooled.

**RULE 3:** The daily total field oil allowable, as fixed by the Commission after deductions have been made for marginal wells, high gas-oil ratio wells and wells which are incapable of producing their allowables as determined hereby, shall be distributed among the remaining producing wells in the field on the following basis:

- (a) The daily acreage allowable for each well, after said deductions have been made, shall be that proportion of SEVENTY-FIVE (75) percent of the daily field allowable which the acreage assigned to the well bears to the remaining acreage assigned to all wells in the field.
- (b) The daily per well allowable for each well, after said deductions have been made, shall be determined by dividing TWENTY-FIVE (25) percent of the total field daily allowable by the number of producing wells in the field.
- (c) The total daily oil allowable for each well shall be the sum of its per well and acreage allowables.

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

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by Hearings Divisions' Unprotested Master Order dated January 24 2017)**