

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL & GAS DOCKET NO.
01-0303542**

**IN THE FLORESVILLE, S. (AUSTIN
CHALK) FIELD, WILSON COUNTY,
TEXAS**

**FINAL ORDER
AMEND FIELD RULES
FOR THE FLORESVILLE, S. (AUSTIN CHALK) FIELD,
WILSON COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on March 6, 2017, 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 Floresville, S. (Austin Chalk) Field, adopted on December 1, 1981 in Oil and Gas Docket No. 1-77,183, are hereby amended. The Field Rules are set out in their entirety as follows:

RULE 1: The designated correlative interval for the Floresville, S. (Austin Chalk) Field shall be from 5,948 to 6,488 feet, as shown on the log of the Mark VI - Renato Martinez No. 2 Well (API No. 42-493-31756), Wilson County, Texas.

RULE 2: No well for oil or gas shall hereafter be drilled nearer than **FOUR HUNDRED SIXTY-SEVEN (467)** feet to any property line, lease line or subdivision line, and no well shall be drilled nearer than **ONE THOUSAND TWO HUNDRED (1,200)** 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 for this 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 necessary either to prevent waste or to prevent the confiscation of property. When exception to these rules is desired, application therefore shall be filed and will be acted upon in

accordance with the provisions of Commission Statewide Rule 37 and 38, which applicable provisions of said rule 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 ONE HUNDRED SIXTY (160) acres. No proration unit shall consist of more than ONE HUNDRED SIXTY (160) acres except as hereinafter provided, and the two farthestmost point in any proration unit shall not be in excess of FOUR THOUSAND FIVE HUNDRED (4,500) 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, however, 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 lease acreage of less than ONE HUNDRED SIXTY (160) acres, then and in such event the remaining unassigned lease acreage up to and including a total of FORTY (40) acres may be assigned 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 meets the limitations prescribed by the Commission.

The Commission has found that to ensure effective and efficient drainage, portions of the field require a unit size which is a fractional part of the above prescribed proration unit. Therefore, an operator, at his option, shall be permitted to form optional drilling units of EIGHTY (80) acres. The maximum diagonal of the unit shall not exceed THREE THOUSAND TWO HUNDRED FIFTY (3,250) feet.

Operators shall file with the Commission certified plats of their properties in said filed, 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 unit have been so pooled.

RULE 4: 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 wells producing in the field capable of making their allowable in that

proportion that the acreage assigned to each well bears to the sum of the acreage assigned to all of the wells in the field.

Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and the agreement of the applicant, this Final Order is effective when a Master Order relating to this Final Order is signed.

Done this 4th day of April, 2017.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Divisions' Unprotested Master
Order dated April 4, 2017)**