

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION**

Oil and Gas Docket No. 08-0303518	§ ON THE COMMISSION'S OWN MOTION § THAT CERTAIN FIELDS BE DESIGNATED AS § UNCONVENTIONAL FRACTURE TREATED § FIELDS PURSUANT TO OIL & GAS STATEWIDE § RULE 86(i)
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**FINAL ORDER DESIGNATING
UNCONVENTIONAL FRACTURE TREATED FIELDS**

The Commission finds that after notice and an opportunity for hearing regarding the captioned matter, no operator in any of the fields covered by this order has filed a timely notice of protest or requested a hearing regarding the proposed designation of the fields listed on attached Exhibit "A" as Unconventional Fracture Treated or "UFT" Fields. This matter having been duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, the Commission makes the following finding of facts and conclusions of law.

FINDINGS OF FACT

1. The field listed on attached Exhibit A (the "Subject Field") is an existing oil, gas or oil and gas field recognized, assigned an identification number, and regulated by the Railroad Commission of Texas (the "Commission").
2. The Commission has proposed, *sua sponte*, to designate the Subject Field as an Unconventional Fracture Treated ("UFT") Field under the provisions of Statewide Rule 86(i) [16 Texas Administrative Code §3.86(i)].
3. Notice of the proposed designation was sent by U.S. mail to all operators of record in the Subject Field on February 15, 2017.
4. No protest or request for hearing regarding the proposed designation of the Subject Field as UFT Field was received within 21 days of the date the notice was mailed.
5. The Subject Field has at least one distinct producible interval within the field with an *in situ* permeability of is 0.1 millidarcies or less prior to hydraulic fracture treatment, as determined by core data or other supporting data and analysis.
6. In the Subject Field, as to the completed producing wells for which the Commission issued the initial drilling permit on or after February 1, 2012, either:
 - (a) there are at least five such wells of which at least 65% were drilled horizontally and completed using hydraulic fracture treatment; or

(b) there are at least twenty-five such wells drilled horizontally and completed using hydraulic fracture treatment

7. Designation of the Subject Field as UFT Field is authorized by Statewide rule 86(i) and will further the orderly and efficient development of the state's hydrocarbon resources.

CONCLUSIONS OF LAW

1. The subject matter of this docket is within the jurisdiction of the Railroad Commission of Texas pursuant to Tex. Nat. Res. Code §81.051.
2. Legally sufficient notice has been provided to all affected persons.
3. Designation of the Subject Field as UFT Field will prevent waste and protect correlative rights.

IT IS ACCORDINGLY ORDERED that the Subject Field listed on Exhibit A to this order are designated as an Unconventional Fracture Treated Field pursuant to the provisions of Statewide Rule 86.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 25 days after it is signed. 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, 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 100 days from the date the parties are notified of the order. All requested Findings of Fact and Conclusions of Law which are not expressly adopted herein are **DENIED**. All pending motions and request for relief not previously granted or granted herein are **DENIED**.

Done this 21st day of March, 2017.

RAILROAD COMMISSION OF TEXAS

**(Approved and signatures affixed by
O&G Unprotested Master Order dated
March 21, 2017.)**

Final Order UFT Designation
Oil & Gas Docket No. 08-0303518
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Exhibit A – The following fields, identified by name and by RRC-assigned ID number, are designated as Unconventional Fracture Treated Fields.

Field ID	Field Name
28899166	EMMA (DEVONIAN)

**RAILROAD COMMISSION OF TEXAS
OIL & GAS DIVISION
ENGINEERING UNIT**

O & G UNPROTESTED MASTER ORDER

MARCH 21, 2017

At a public conference held at its offices in Austin, Texas, the Commission finds that after statutory notice, the below referenced matters were reviewed by the examiners and that no party appeared in protest to the requested relief. The Final Orders for each of the below referenced dockets are incorporated by reference into this order, and by signing this Master Order, the Commission approves each of the Final Orders and adopts the provisions contained therein.

<u>DOCKET NO.</u>	<u>APPLICANT</u>	<u>LEASE, WELL OR SITE</u>	<u>ORDER TERMS</u>
<u>TIGHT GAS – SWR 101</u>			
08-0302332 (Stephan Paetzold)	COG Operating LLC	2 nd Bone Spring Formation Sandbar (Bone Spring) Field Culberson County, Texas	Approval
08-0302333 (Stephan Paetzold)	COG Operating LLC	2 nd Bone Spring Formation Sandbar (Bone Spring) Field Culberson County, Texas	Approval
01-0302602 (Stephan Paetzold)	Sierra Resources LLC	Olmos Formation A.W.P. (Olmos) Field McMullen County, Texas	Approval
08-0302879 (Stephan Paetzold)	Kerogen Texas Energy Op LLC	Woodford Formation Vista Grande (Woodford) Field Pecos and Terrell Counties, Texas	Approval
08-0303428 (Stephan Paetzold)	COG Operating LLC	3 rd Bone Spring Formation Sandbar (Bone Spring) Field Culberson County, Texas	Approval
08-0303429 (Stephan Paetzold)	COG Operating LLC	2 nd Bone Spring Formation Sandbar (Bone Spring) Field Culberson County, Texas	Approval

**O & G UNPROTESTED MASTER ORDER
MARCH 21, 2017 CONFERENCE**

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<u>DOCKET NO.</u>	<u>APPLICANT</u>	<u>LEASE, WELL OR SITE</u>	<u>ORDER TERMS</u>
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UNCONVENTIONAL FRACTURE TREATED FIELD DESIGNATION – SWR 86

08-0303518 (Richard Behal)	Railroad Commission of Texas	Designation as Unconventional Fracture Treated Field Emma (Devonian) Field, Andrews County, Texas	Approval
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TEMPORARY FIELD RULES – SWR 43

09-0302880 (Darren Tjepkema)	Jetta Operating Company	Big Mineral Creek (Woodford) (07988 950) Field, Grayson County, Texas	Temporary field rules be made rescinded
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ENHANCED OIL RECOVERY PROJECT TAX INCENTIVES – SWR 50

8A-0303700 (Darren Tjepkema)	Kinder Morgan Production Co LLC	SACROC Unit (03137) Lease, Kelly-Snyder (48583 001) Field, Scurry County, Texas	Approve Expansion
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8A-0303701 (Darren Tjepkema)	Kinder Morgan Production Co LLC	SACROC Unit (03137) Lease, Kelly-Snyder (48583 001) Field, Scurry County, Texas	Approve Expansion
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**O & G UNPROTESTED MASTER ORDER
MARCH 21, 2017 CONFERENCE**

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IT IS ORDERED that each referenced Final Order shall become effective when this Order is signed and that a copy of this Order shall be affixed to each Final Order.

Done in Austin, Texas on March 21, 2017.

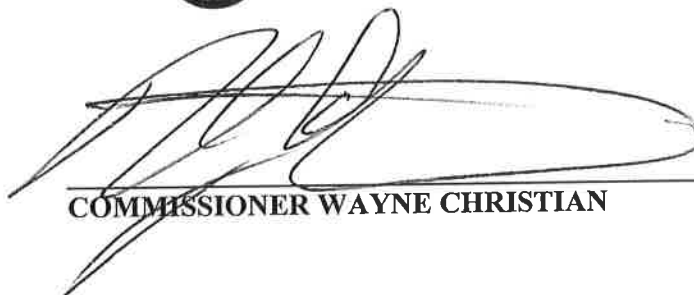
RAILROAD COMMISSION OF TEXAS



CHAIRMAN CHRISTI CRADDICK



COMMISSIONER RYAN SITTON



COMMISSIONER WAYNE CHRISTIAN

ATTEST:




SECRETARY