

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 09-0302747**

**IN THE SIVELLS BEND
(ELLENBERGER) FIELD,
COOKE COUNTY, TEXAS**

**FINAL ORDER
AMENDING FIELD RULES
FOR THE SIVELLS BEND (ELLENBERGER) FIELD
COOKE COUNTY, TEXAS**

The Commission finds that after statutory notice of the application made by Chaparral Energy, L.L.C. in the above-numbered docket heard on February 8, 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 waived; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference in its offices in Austin, Texas.

The Commission, after review and due considerations 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 adopted in Final Order No. 09-0269518, effective May 11, 2011, for the Sivells Bend (Ellenberger) Field, Cooke County, Texas are hereby amended and are set out in their entirety as follows:

RULE 1: The entire correlative interval from 8,685 feet to 9,200 feet as shown on the log of the Chaparral Energy, L.L.C. - Starnes Trust Unit, Well No. 1 (API 42-097-34180), J. McKerley Survey, A-639, Cooke County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Sivells Bend (Ellenberger) Field.

RULE 2: No well for oil or gas shall hereafter be drilled nearer than **THREE HUNDRED THIRTY (330)** feet to any property line, lease line, or subdivision line. There is no minimum between well spacing requirement. 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 application provisions of said rules are incorporated herein by reference.

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 FORTY (40) acres. No proration unit shall consist of more than FORTY (40) acres except as hereinafter provided. 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 FORTY (40) acres, then and in such event the remaining unassigned acreage up to and including a total of TWENTY (20) 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.

There is no maximum diagonal limitation in this field and operators are not required to file proration unit plats for individual wells in the field.

With regard to horizontal wells, acreage may be assigned to each horizontal drainhole for the purpose of allocating allowable oil or gas production as provided in Statewide Rule 86(d).

RULE 4: The maximum daily oil allowable for each well in the subject field shall be 350 barrels of oil per day and the actual allowable for an individual well shall be determined by the sum of the two following values:

- a. Each well shall be assigned an allowable equal to TWENTY FIVE percent (25%) of the maximum daily oil allowable above.
- b. Each well shall be assigned an allowable equal to the top allowable established for a well having a proration unit containing the maximum acreage authorized for a vertical well exclusive of tolerance acreage multiplied by SEVENTY FIVE percent (75%) and by then multiplying this value by a fraction, the numerator of which is the acreage assigned to the

well (including any acreage assigned to horizontal drainhole wells pursuant to Statewide Rule 86) and the denominator of which is the maximum acreage authorized for a proration unit exclusive of tolerance acreage.

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 Division's Unprotested
Master Order dated April 4, 2017)**