

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 08-0300400**

**IN THE KEYSTONE (ELLENBURGER)
FIELD, WINKLER COUNTY, TEXAS**

**FINAL ORDER
AMENDING THE SPECIAL FIELD RULES
FOR THE KEYSTONE (ELLENBURGER) FIELD
WINKLER COUNTY, TEXAS**

The Commission finds that statutory notice was given in the above-referenced docket, which was heard on July 18, 2016. At the hearing, both operators of record in the field, BOPCO, L.P. ("BOPCO") and Devon Energy Production Co., L.P., ("Devon") expressed support for the amendments to the existing Permanent Field Rules and operating procedures that are embodied in this Order. The Commission further finds that the provisions of this Order are designed to and will prevent waste of hydrocarbons in the Keystone (Ellenburger) Field ("Field"), by promoting conservation in the Field, and protecting the correlative rights of all affected mineral owners.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the provisions of the existing special field rules and operating procedures for the Field which were adopted in the Final Order issued in Oil & Gas Docket No. 08-0282145 on the 6th of August 2013 are hereby amended. The Railroad Commission of Texas makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Notice of at least ten (10) days was given to all operators of record in the field and no one appeared at the hearing in protest.
2. At the hearing held on July 18, 2016, BOPCO and Devon waived issuance of a Proposal For Decision in Oil and Gas Docket No. 08-0300400.
3. Beginning July 1, 2016, all operators shall produce at the gas rate required by this Order.
4. A fieldwide gas allowable of 9,000 MCF per day (1,000 cubic feet of gas represents one MCF), to be adjusted accordingly as the capacity of the Field decreases with depletion.
5. Allocation of the fieldwide gas allowable between the two operators, BOPCO and Devon, based upon their respective percentages of the "Gas Bank Gas" created under the existing special field rules for the Field, which are 63.212% for BOPCO and 36.788% for Devon.
6. The current overproduction will be carried into the first balancing period.
7. Each operator's gas allowable may be produced from any well or wells, at its discretion, whether classified as an oil or gas well. All gas produced from all wells in the Field, whether classified as oil wells or gas wells, shall count against each operator's share of the total Field gas allowable. Provided, any operator of more than one non-unitized lease may produce its total operator allowable from any well or wells on all leases it operates, but in a way designed to prevent any unreasonable discrimination between leases.

8. A special balancing rule for this Field providing that any overproduction in a six (6) month balancing period, ending June 30 and December 31 each year, be made up in the following (6) month balancing period; and, if it is not then made up, the operator's gas production shall be reduced to 25% of the operator's allowable until all overproduction is made up.
9. Any oil well in the Field shall have a capacity allowable.
10. Operators are not required to have separate metering, separation and storage equipment for each gas well on a lease.
11. These rules shall remain in effect until 23,258,469 MCF of gas have been produced from the field beginning from July 1, 2016 forward; provided, however, if at that time BOPCO has not produced 14,608,334 MCF or Devon has not produced 8,650,135 MCFG from July 1, 2016 forward, their "allocated shares" of 23,258,469 MCF, that operator shall be entitled to continue producing gas until it has produced its allocated share and the other operator shall produce no additional gas until each operator has produced its full allocated share.
12. As soon as a minimum of 23,258,469 MCF has been produced from the Field and both operators have produced their allocated shares, all special field rules for the field shall be rescinded without further hearing or action by the Commission and the Field shall thereafter operate under Commission Statewide Rules, including setting allowables for all wells.
13. The operators shall report their production each month to the Commission, and the other operators, on the modified monthly production report attached hereto as Exhibit A.
14. Both BOPCO and Devon are agreeable to these conditions to allow the conservation of the maximum amount of hydrocarbon resources from the Field, and to protect the correlative rights of the interest owners in the Field.

Done this 9th day of August, 2016.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by OGC
Unprotected Master Order dated August 9,
2016)**

EXHIBIT A

MONTHLY PRODUCTION MONITORING REPORT
KEYSTONE (ELLENBURGER) FIELD

(Rev 7/2016)

BOPCO, L.P.
Operator

Dec-16
Month / Year

Gas Bank Gas

1. Operator Percentage of Gas Bank [Bass 63.212%, SKEU 36.788%]
2. Gas Bank Balance as of 8/1/2016

63.212 %
14,608,334 MCF

	Year	2016	Field Allowable	Operator Allowable	Gas Production (PR Form)	(Under)/Over Running Balance	Gas Bank Balance
	Month	Days	MCFD	MCF	MCF		MCF
3.	Jan	31	0	0	0	0	14,608,334
4.	Feb	29	0	0	0	0	14,608,334
5.	Mar	31	0	0	0	0	14,608,334
6.	Apr	30	0	0	0	0	14,608,334
7.	May	31	0	0	0	0	14,608,334
8.	Jun	30	0	0	0	0	14,608,334
9.	Sub total			0	0	180,000	Over Produced!
11.	Jul	31	9,000	176,361	0	3,639	14,608,334
12.	Aug	31	9,000	176,361	0	-172,722	14,608,334
13.	Sep	30	9,000	170,672	0	-343,394	14,608,334
14.	Oct	31	9,000	176,361	0	-519,755	14,608,334
15.	Nov	30	9,000	170,672	0	-690,427	14,608,334
16.	Dec	31	9,000	176,361	0	-866,788	14,608,334
17.	Sub total			1,046,788	0	-866,788	Under Produced

Field Allowable is based on Railroad Commission ruling

Operator Allowable = Operator Percentage (Item 1) * Days in month * Field Allowable

Gas Production must be input every month

Gas Bank Balance = Prior month's value less current month's production

Report must be filed by the 30th day of the following month

Items in blue need to be checked/input

Exhibit No. 10
BOPCO, L.P.
Docket No. 08-0300400
Date: July 18, 2016