

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL & GAS DOCKET NO.
08-0304362**

**IN THE BEDFORD (DEVONIAN)
FIELD, ANDREWS COUNTY,
TEXAS**

**FINAL ORDER
AMENDING THE FIELD RULES
AND GRANTING A BLANKET EXCEPTION TO STATEWIDE RULE 10
FOR THE BEDFORD (DEVONIAN) FIELD
ANDREWS COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on June 21, 2017, the presiding 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 adopted for the Bedford (Devonian) Field (No. 06671 166), Andrews County, Texas, as adopted in Special Order No. 8-18,809 dated July 24, 1950, as amended, are hereby amended. The permanent field rules are numbered and set out in their entirety as follows:

RULE 1: The entire correlative interval from 8,936 feet to 9,354 feet as shown on the on the gamma ray log of the Ratliff & Bedford No. 36 WS well (API No. 42-003-37353) in Andrews County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Bedford (Devonian) Field.

RULE 2: No well for oil or gas shall hereafter be drilled nearer than **THREE HUNDRED AND THIRTY (330)** feet to any property line, lease line, or subdivision line. There is no between well spacing limitation. 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 therefore 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.

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

Provided, however, that for purposes of spacing for horizontal wells, the following shall apply:

- a. No horizontal drainhole well for oil or gas shall hereafter be drilled such that the first and last take points are nearer than ONE HUNDRED (100) feet to any property line, lease line or subdivision line.
- b. For each horizontal drainhole well, the distance perpendicular to such horizontal drainhole from any take point to any point on any property line, lease line or subdivision line shall be a minimum of THREE HUNDRED THIRTY (330) feet.

RULE 3: The acreage assigned to an 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. No double assignment of acreage will be allowed. Each proration unit containing less than FORTY (40) acres shall be a fractional unit. There is no maximum diagonal limitation in this field.

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.

An operator, at its option, shall be permitted to form optional drilling units of TWENTY (20) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit.

For the determination of acreage credit in this field, operators shall file for each well in this field a Form P-15, "Statement of Productivity of Acreage Assigned to Proration Units," or Form P-16, "Acreage Designation." On that form or an attachment thereto, the operator shall list the number of acres that are being assigned to each well on the lease or unit for proration purposes. Operators shall be required to file, along with

the Form P-15 or Form P-16, a plat of the lease, unit or property; provided that such plat shall not be required to show individual proration units. Notwithstanding the above, operators shall be required to file an as-drilled plat showing the path, penetration point and terminus of all drainholes in horizontal wells.

RULE 4: The maximum daily oil allowable for each well in the subject field shall be based on the 400 barrels of oil per day for a well on 40 acres. 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.

It is further **ORDERED** by the Railroad Commission of Texas that blanket authority for exception to Statewide Rule 10 is hereby approved for all wells in the Bedford (Devonian) (Field ID No. 06671 166), Bedford (Ellenburger) (Field ID No. 06671 332), Bedford (Fusselman) (Field ID No. 06671 498), and Bedford (Wolfcamp) (Field ID No. 06671 830) Fields, Andrews County, Texas. The operator of any well downhole commingled pursuant to this Final Order shall file the appropriate drilling permit, completion forms, and abbreviated Statewide Rule 10 Data Sheet and shall file at the same time, the appropriate Commission required administrative Statewide Rule 10 exception downhole commingling fee.

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 1st day of August 2017.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Divisions' Unprotested Master
Order dated August 1, 2017)**