

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL & GAS DOCKET
NOS. 08-0305570 AND
08-0305676**

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

**FINAL ORDER
GRANTING THE APPLICATIONS OF ELEVATION RESOURCES, LLC
TO CONSOLIDATE THE ANDREWS, SOUTH (DEVONIAN) FIELD
INTO THE EMMA (DEVONIAN) FIELD,
TO ADOPT FIELD RULES FOR THE EMMA (DEVONIAN) FIELD,
AND TO CANCEL OVERPRODUCTION FOR THE
UNIVERSITY LEASE, WELL NO. 1541
COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered dockets heard on August 22, 2017, the presiding administrative law judge and technical examiner ("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 Andrews, South (Devonian) Field (ID No. 91350 100), is hereby consolidated into the Emma (Devonian) Field (ID No. 28899 166). Wells in the Andrews, South (Devonian) Field shall be transferred into the Emma (Devonian) Field without requiring new drilling permits. Furthermore, it is **ORDERED** by the Railroad Commission of Texas that the Field Rules for the Emma (Devonian) Field, Andrews County, Texas, are hereby amended and set out in their entirety as follows:

RULE 1: The entire correlative interval from 10,456 feet to 11,532 feet as shown on the log of the Greystone Oil & Gas, LLP - State AQ Lease, Well No. 8 (API No. 42-003-43170), Section 29, Block 9, University Lands Survey, A-U265, Andrews County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Emma (Devonian) 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 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 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. 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 the individual oil or gas 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 accepted.

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.

For the determination of acreage credit in this field, operators shall file for each oil or gas well in this field a Form P-15 *Statement of Productivity of Acreage Assigned to*

Proration Units or a 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. For oil or gas wells, operators shall be required to file, along with the Form P-15 or P-16, a plat of the lease, unit or property; provided that such plat shall not be required to show individual proration units. There is no maximum diagonal limitation in this field.

RULE 4: The maximum daily oil allowable for each well in the subject field shall be the 1947 Yardstick Allowable of 310 barrels of oil per day and the actual allowable for an individual well shall be determined by multiplying the allowable for a well in the field by a fraction, the numerator of which is the acreage assigned to the well for proration purposes and the denominator of which is the maximum acreage authorized by these field rules for proration purposes, exclusive of tolerance acreage. The daily oil allowable for a well in the field shall be adjusted in accordance with Statewide Rule 49(a) when applicable.

The gas field shall be classified as associated-prorated and assigned a multiple 49(b) allowable.

RULE 5: Any well in the subject field completed with a gas-liquid hydrocarbon ratio (GLR) of 3,200 cubic feet per barrel and above, the operator may elect to have such well permanently classified as a gas well without the need of further administrative review effective the date of initial completion, provided the initial producing GLR was determined by stabilized well test conducted within 120 days of well completion and in accordance with the GLR determination requirements of Commission procedures as indicated on Forms G-1, G-5 or W-2 as appropriate, and using gas measurement methods as described in the current Commission publication Gas-Oil Ratio Calculation, or methods of at least equal accuracy. Further, applications to reclassify existing wells as permanent gas wells must be made within 90 days of the effective date of this order.

It is further **ORDERED** that the following wells may be reclassified as permanent gas wells effective the date of initial completion:

Lease	API No.
University 1-10 1H	42-003-47313
University 1-20 3H	42-003-46625
University 1-20 4H	42-003-47221
University 1-20 5H	42-003-47244
University 1-26 3H	42-003-47090
University 1-26 4H	42-003-47117
University 1-26 5H	42-003-47118
University 28 Unit 1H	42-003-46380
University 1-28A Unit 2H	42-003-47243
University 9-35 1H	42-003-47197

It is further **ORDERED** by the Commission that the overproduction accrued to the University F Lease (No. 281706) Well No. 1541, in the Andrews, South (Devonian) Field is hereby cancelled.

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 7th day of November, 2017.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Divisions' Unprotested Master
Order dated November 7, 2017)**