

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 02-0309391

**THE APPLICATION OF CHARRO OPERATING, L.L.C. TO ADOPT PERMANENT
FIELD RULES FOR THE GAFFNEY, SW. (5400) FIELD, GOLIAD COUNTY, TEXAS**

FINAL ORDER

The Commission finds that after statutory notice in the above-numbered docket heard on April 5, 2018, the Technical Examiner and Administrative Law Judge (collectively "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 following permanent field rules for the Gaffney, SW. (5400) Field (No. 33648595), Goliad County, Texas are hereby adopted and are set out in their entirety as follows:

RULE 1: The entire correlative interval from 5,384 feet to 5,410 feet as shown on the High Definition Induction Log of the Charro Operating, LLC, Welder Heirs CJ Lease, Well No. 1 (API No. 42-175-34248), located 5,095 feet FSL and 5,585 feet FSEL of the G. Barrera Survey, A-1, Goliad County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Gaffney, SW. (5400) Field (No. 33648595).

RULE 2: No well for oil shall hereafter be drilled nearer than **THREE HUNDRED THIRTY (330)** feet to any property line, lease line, or subdivision line, and no oil well shall be drilled nearer than **SIX HUNDRED SIXTY (660)** feet from any applied for, permitted, or completed well in the same reservoir on the same lease, pooled unit, or unitized tract. The aforementioned distances for this 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 in the field. 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.

Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and by agreement of the Parties in writing or on the record, **the parties have waived right to file a Motion for Rehearing and this Final Order is effective on the date the Master Order relating to the Final Order is signed.**

Done this 22nd day of May 2018.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed
by Hearings Division's Unprotected
Master Order dated May 22, 2018)**