RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL & GAS DOCKET NO. 06-0308519

APPLICATION OF SABINE OIL AND GAS CORPORATION FOR A BLANKET AUTHORITY FOR STATEWIDE RULE 10 EXCEPTION TO DOWNHOLE COMMINGLE IN THE HENDERSON, E. (COTTON VALLEY), MINDEN (TRAVIS PEAK CONS.), OAK HILL (PETTIT), OAK HILL (TRAVIS PEAK) AND CARTHAGE (HAYNESVILLE SHALE) FIELDS, RUSK, HARRISON, GREGG, AND PANOLA COUNTIES, TEXAS

FINAL ORDER

The Commission finds that after statutory notice of the application made by Sabine Oil & Gas Corporation in the above-numbered docket heard on February 23, 2018, the presiding Examiner and Administrative Law Judge 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 is in compliance 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 Examiner's 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 blanket authority for exception to Statewide Rule 10 is hereby approved for all wells in the Henderson, E. (Cotton Valley) (No. 40356200), Minden (Travis Peak Cons.) (No.61792380), Oak Hill (Pettit) (No. 66461333), Oak Hill (Travis Peak) (No. 66461666) and Carthage (Haynesville Shale) (No.16032300) Fields in in Rusk, Harrison, Gregg, and Panola Counties, Texas.

For wells which are commingled in any of the four subject reservoirs associated with the five subject Fields, after the effective date of this order, the commingled production shall be assigned as to the field of choice as selected by the Operator.

Further, acreage assigned to wells on any leases for allocation of allowable shall not be assigned to any other well or wells projected to be completed or completed in the five subject fields; such duplicate assignment of acreage is not acceptable, provided however, that this limitation shall not prevent the reformation of development or proration units so long as no duplicate assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations. Be aware that only one of the Travis Peak reservoir fields, the Minden (Travis Peak Cons.) Field or the Oak Hill (Travis Peak) Field can be approved in a Rule 10 exception since they are the same reservoir. Therefore, a maximum of four fields are available for downhole commingling.

The operator of any well downhole commingled in any of the five subject fields shall file the appropriate drilling permit, completion forms, an abbreviated Statewide Rule 10 Data Sheet for Wells Subject to Fieldwide Statewide Rule 10 exception (attached) and shall file at the same time, the appropriate Commission required administrative Statewide Rule 10 exception downhole commingle fee.

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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 final and 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 Divisions' Unprotested Master Order dated May 22, 2018)