

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 06-0308944**

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**APPROVING THE APPLICATION OF EREBOR RESOURCES, LLC TO CONSOLIDATE THE MALAPAX (HILL) FIELD WITH THE REKLAW (RODESSA) FIELD AND TO AMEND THE PERMANENT FIELD RULES FOR THE REKLAW (RODESSA) FIELD CHEROKEE COUNTY, TEXAS**

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**FINAL ORDER**

The Commission finds that after statutory notice in the above-numbered docket heard on April 20, 2018, the presiding Examiner has 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 of Erebor Resources, LLC 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 the field rules adopted in Final Order No. 06-0269653 effective May 9, 2011 are hereby amended and set out in their entirety as follows:

**RULE 1:** The entire correlative interval from 7,718 feet to 7,996 feet as shown on the Array Induction, Dual Spaced Neutron, Spectral Density log of the Samson Lone Star Ltd. Partnership, Reklaw G.U. 4 Well No. 11 (API No. 42-073-31074), Thomas Stanford Survey, A-758, Cherokee County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Reklaw (Rodessa) Field.

**RULE 2:** No gas well shall hereafter be drilled nearer than FOUR HUNDRED SIXTY SEVEN (467) feet to any property line, lease line, or subdivision line and no well shall be drilled nearer than NINE HUNDRED THIRTY THREE (933) feet to any applied for, permitted or completed well in the same reservoir on the same lease, pooled unit or unitized tract. The aforementioned distances are the minimum distances to allow an operator flexibility in locating a well. 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 therefor shall be filed and will be acted upon in accordance with the provisions of Commission Statewide Rule 37, which applicable provisions of said rule is incorporated herein by reference.

**RULE 3:** The acreage assigned to an individual gas well shall be known as a proration unit. The standard drilling and proration units are established hereby to be SIX HUNDRED FORTY (640) acres. No proration unit shall consist of more than SIX HUNDRED FORTY (640) acres; provided that, tolerance acreage of ten (10) percent shall be allowed for each standard proration unit so that an amount not to exceed a maximum of SEVEN HUNDRED FOUR (704) acres may be assigned. Each proration unit containing less than SIX HUNDRED FORTY (640) acres shall be a fractional proration unit. All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of gas. No double assignment of acreage will be accepted.

An operator, at his option, shall be permitted to form optional drilling and proration units of FORTY (40) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit.

**RULE 4:** The daily allowable production of gas from individual wells completed in the subject field shall be determined by allocating the allowable production, after deductions have been made for wells which are incapable of producing their gas allowables, among the individual wells in the proportion that the acreage assigned such well for proration purposes bears to the summation of the acreage with respect to all proratable wells producing from the same reservoir. The allocation formula in the Reklaw (Rodessa) Field will remain suspended.

The allocation formula may be reinstated administratively, in accordance with the Commission's rules, if the market demand for gas in the Reklaw (Rodessa) Field drops below 100% of deliverability.

**RULE 5:** For the determination of acreage credit in this field, operators shall file for each well in this field a Form P-16 Data Sheet Acreage Designation with a plat of the entire lease or unit. 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 not be required to file individual proration unit plats with the Form P-16 Data Sheet showing individual proration units for oil or gas wells. Operators may, however, file such proration unit plats for individual wells in the field if they choose. Provided further, that if the acreage assigned to any well has been pooled, the operator shall furnish the Commission with such proof with the filing of the Form P-12 and plat as it may require as evidence that interests in and under such proration unit have been so pooled. There is no maximum diagonal limitation in this field.

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 5<sup>th</sup> day of June, 2018

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
Hearings Divisions' Unprotected Master  
Order dated June 5, 2018)**