

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET No. 01-0308634: APPLICATION OF NORTH SOUTH, LLC TO AMEND THE FIELD RULES FOR THE LULING-BRANYON FIELD, CALDWELL AND GUADALUPE COUNTIES, TEXAS**

**FINAL ORDER**

The Commission finds that after statutory notice of the application made by North South Oil, LLC (Operator No. 614126) in the above-numbered docket heard on March 5, 2018, the presiding 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 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 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 in Final Order No. 1-11,070, effective August 5, 1947 for the Luling-Branyon Field, Caldwell and Guadalupe Counties, Texas, and most recently amended in Final Order No. 01-0262944, are hereby amended. The amended field rules are set out in their entirety as follows:

**RULE 1:** The entire correlative interval from 1,620 feet to 2,164 feet as shown on the log of the Texas Petroleum Investment Co. - J. E. Allen "A" Lease, Well No. 46 (API No. 42-187-33111), Guadalupe County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Luling-Branyon Field.

**RULE 2:** No well for oil or gas shall hereafter be drilled nearer than ONE HUNDRED FIFTY (150) feet to any property line, lease line, or subdivision line. No minimum between well spacing requirement shall apply in this field. The aforementioned distance in the above rule is a minimum distance 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.

**RULE 3:** The acreage assigned to the individual oil or gas well for the purpose of allocating allowable production thereto shall be known as a proration unit. The standard drilling and proration units are established hereby to be TWO (2) acres. No proration unit shall consist of more than TWO (2) 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. There is no maximum diagonal limitation in this field.

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. 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, 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.

Where the ownership of oil and gas within the designated interval for the Luling-Branyon Field has been divided horizontally, operators shall have the right to develop the individual ownership as follows:

- a. Operators of tracts with no horizontal severance of ownership within the designated interval for the Luling-Branyon Field AND operators of the shallow rights above a horizontal severance of ownership within that same interval shall permit wells under Field ID Number 55679001.
- b. Operators with ownership of deep rights below a horizontal severance within the designated interval for the Luling-Branyon Field shall permit wells under Field ID Number 55679100. This field number for the Luling-Branyon Field shall be labeled "Luling-Branyon R 40 Exc" in the Commission's records.
- c. Any operator using the Field ID Number for "deep rights" certifies, by use of that number, that the ownership of the oil and gas rights is divided horizontally on the tract for which the drilling permit is sought.
- d. Where the ownership of oil and gas is horizontally divided, the Field Rules for the Luling-Branyon Field will apply separately to wells drilled under Field ID Number 55679001 and wells drilled under the Deep Field Number (Field

ID Number 55679100), such that proration units on a tract above and below the horizontal division of ownership are independent and may overlap.

**RULE 4:** The maximum daily oil allowable for each well in the subject field shall be 30 barrels of oil per day and the actual allowable for an individual well shall be determined by the sum total of the two following values:

- a. 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 exclusive of tolerance acreage multiplied by 95% and by then multiplying this value by a fraction, the numerator of which is the acreage assigned to the well and the denominator of which is the maximum acreage authorized for a proration unit exclusive of tolerance acreage.
- b. Each well shall be assigned an allowable equal to 5% of the maximum daily oil allowable above.

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 19<sup>th</sup> day of June 2018.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed  
by Hearings Divisions' Unprotected  
Master Order dated June 19, 2018)**