

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 02-0310648

THE APPLICATION OF ALTA MESA SERVICES, LP CONSOLIDATING VARIOUS FIELDS INTO THE BRANDT (RECKLAW-WILCOX CONS.) FIELD AND ADOPTING FIELD RULES FOR THE BRANDT (RECKLAW-WILCOX CONS.) FIELD, GOLIAD AND DEWITT COUNTIES, TEXAS.

FINAL ORDER

The Commission finds that after statutory notice of the application made by Alta Mesa Services, LP in the above-numbered docket heard on June 27, 2018, the presiding Technical Examiner and Administrative Law Judge (collectively referred to as "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 office 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 fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the various fields listed in the following table are hereby consolidated into the Brandt (Recklaw-Wilcox Cons.) Field.

RRC Field Name	RRC Field Number
Boyce (Bednorz)	11023050
Brandt (Recklaw)	11381166
Brandt (Wilcox 9800)	11381336
Brandt, S. (Brandt 7485)	11386333
Goat Creek (Mackhank)	35467400
Gottschalt (Luling 7600)	36065372
Gottschalt (Mackhank 7700)	36065496
Gottschalt (Massive 3)	36065558
Gottschalt (Recklaw 7300)	36065682
Gottschalt (8900)	36065930

Gottschalt, West (Slick)	36069800
Gowitt (Wilcox 8,800)	36140428
Manahuilla (Mackhank)	57040440
Manahuilla (Slick)	57040480
Manahuilla (Wilcox)	57040500
Slick, East (2-7600)	84076666
Slick, S. (Wilcox "J")	84079600
Weesatche (Slick 7600)	95845750
Weesatche, NE. (Little Sand)	95848100
Weesatche, NE. (Wilcox)	95848444
Weesatche, West (Luling)	95853246

Wells in the subject fields shall be transferred into the Brandt (Recklaw-Wilcox Cons.) Field without requiring new drilling permits.

Furthermore, it is **ORDERED** by the Railroad Commission of Texas that the following field rules shall be adopted for the Brandt (Recklaw-Wilcox Cons.) Field, Goliad and DeWitt Counties, Texas:

RULE 1: The entire correlative interval from 7,400 feet to 8,600 feet as shown on the Induction Electrollog of the Alta Mesa Services, LP Willms GU #1 Well (API No. 42-175-34242), located in the J.M. Mancha Survey, A-203, Goliad County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Brandt (Recklaw-Wilcox Cons.) 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, and no well shall be drilled nearer than NINE HUNDRED THIRTY-THREE (933) 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 rule 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.

RULE 3a: The acreage assigned to the individual oil 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 oil 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 oil well drilled on such lease or may distributed among any group of oil wells located thereon, so long as the proration units resulting from the inclusion of such additional acreage meet the limitations prescribed by the Commission.

RULE 3b: The acreage assigned to the individual gas well for the purpose of allocating allowable gas 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; provided that tolerance acreage of ten (10) percent shall be allowed for each standard gas proration unit so that an amount not to exceed a maximum of FORTY-FOUR (44) acres may be assigned. Each gas proration unit containing less than FORTY-FOUR (44) 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.

For the determination of acreage credit in this field, operators shall file for each gas well in this field Form P-15 Statement of Productivity of Acreage Assigned to Proration Units, or Form P-16 Data Sheet 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. 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. Provided further that if the acreage assigned to any well has been pooled, the operator shall furnish the Commission with such proof 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.

RULE 4a: The maximum daily oil allowable for each well in the subject field shall be determined by the 1965 Yardstick Allowable.

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 following manner:

NINETY-FIVE percent (95%) of the total field allowable shall be allocated among the individual wells in the proportion that the deliverability of such well, as

evidenced by the most recent G-10 test filed with the Railroad Commission, bears to the summation of the deliverability of all pratable wells producing in this field.

FIVE percent (5%) of the field's total allowable shall be allocated among all the individual pratable wells producing in the field.

It is furthered **ORDERED** that the allocation formula for gas wells in the Brandt (Recklaw-Wilcox Cons.) Field be suspended. The allocation formula for the gas field may be reinstated administratively, in accordance with the Commission rules, if the market demand for gas in the Brandt (Recklaw-Wilcox Cons.) Field drops below 100% of deliverability.

It is further **ORDERED** by the Railroad Commission of Texas that a Form P-4, *Producer's Transportation Authority and Certificate of Compliance*, is required to be filed for all leases in the prior existing fields to change the field name to the Peak Victor (Devonian) Field. New lease numbers will be assigned if the operator does not already have an existing lease number assigned in the Brandt (Recklaw-Wilcox Cons) Field. Form P-16, *Acreage Designation*, and full lease plats are also required in the new field and should be sent to the Commission with the Form P-4 if acres are not already assigned to the operator's wells that meet the new field criteria. **Operators must respond within sixty (60) days of this order's effective date.**

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 16th day of October 2018.

**RAILROAD COMMISSION OF TEXAS
(Order approved and signatures
affixed by Hearings Division's
Unprotested Master Order dated
October 16, 2018)**