

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 08-0315323

APPLICATION OF OCCIDENTAL PERMIAN LTD. (617544) TO CONSOLIDATE THE INEZ (WOLFCAMP) FIELD, THE INEZ (STRAWN) FIELD, THE INEZ (DEEP) FIELD, AND THE INEZ (ELLENBURGER) FIELD INTO THE INEZ (CONSOLIDATED) FIELD AND TO ADOPT SPECIAL FIELD RULES FOR THE INEZ (CONSOLIDATED) FIELD, ANDREWS COUNTY, TEXAS

FINAL ORDER

The Commission finds that after statutory notice of the application made by Occidental Permian Ltd. (Operator No. 617544) in the above-numbered docket heard on December 12, 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 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 Occidental Permian Ltd. is hereby granted consolidation of the Inez (Wolfcamp) Field, the Inez (Strawn) Field, the Inez (Deep) Field, and the Inez (Ellenburger) Field into the Inez (Consolidated) Field and adoption of field rules for Inez (Consolidated) Field, Andrews County, Texas. The field rules for Inez (Consolidated) Field are hereby amended as follows:

RULE 1: The entire correlative interval from the top of the Inez (Wolfcamp) Field at log depth 8,647 feet to the base of the Inez (Ellenburger) Field at log depth 13,200 feet as shown on the log of the Midland Farms AK– B–211, API 42-00033-5026, Section 33, Block 41, Andrews County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Inez (Consolidated) Field.

RULE 2: No gas or oil well shall hereafter be drilled nearer than THREE HUNDRED (300) feet to any property line, lease line, or subdivision line. There will be no minimum spacing requirement (0' between well) to any applied for, permitted, or completed vertical or horizontal well in the same reservoir on the same lease, pooled unit or unitized tract. The aforementioned distances in the above 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. 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.

Provided, however, that for purposes of spacing for horizontal wells, no horizontal drainhole well for oil or gas shall hereafter be drilled such that the first and last take point are nearer than ONE HUNDRED (100) feet to any property line, lease line or subdivision line.

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 well for the purpose of allocating allowable oil production thereto shall be known as a proration unit. The standard drilling and proration units are establish hereby to be FORTY (40) acres. If after the drilling of the last 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 well drilled on such lease or may be distributed among any group of wells located thereon, so long as the proration units resulting from the inclusion of such additional acreage meet the limitations proscribed by the Commission.

For the determination of acreage credit in this field, operators shall file for each well in this field a Form P-16 Acreage Designation with a plat of the entire lease and no requirement to file individual proration plats. However, an operator may file those individual proration plats if they choose to do so.

RULE 4: Allocation formula for the wells in the Inez (Consolidated) Field will be 100% of the acreage assigned to a well with an allowable of 10 barrels of oil per acre per day.

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.

Signed on 21st day of May, 2019.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotested Master
Order dated May 21, 2019)**