

RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION

OIL & GAS DOCKET NO. 08-0320983

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APPLICATION OF OXY WTP, LP (630555) TO AMEND FIELD RULES FOR THE  
DOLLARHIDE (DEVONIAN) FIELD (25188400), ANDREWS COUNTY, TEXAS

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FINAL ORDER

The Railroad Commission of Texas ("Commission") finds that after statutory notice in the above-numbered docket on the application made by OXY USA WTP, LP (Operator No. 630555) heard on May 17, 2019, the Technical Examiner and Administrative Law Judge (collectively "Examiners") have made and filed a report and recommendation ("Report") containing findings of fact and conclusions of law, for which service was not required; that the proposed application complies with all statutory requirements; and that this proceeding was duly submitted to the Commission at a conference held in its offices in Austin, Texas.

The Commission, after consideration of this matter, hereby adopts as its own the findings of fact and conclusions of law contained in the Report, and incorporates those findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is **ORDERED** that the following permanent field rules for the Dollarhide (Devonian) Field (Field No. 25188400), in Andrews County, Texas are hereby adopted.

The field rules for the Dollarhide (Devonian) Field are set out in their entirety as follows:

**RULE 1:** The designated interval for the Dollarhide (Devonian) Field is the entire correlative stratigraphic interval from the top to the base of the Devonian formation, including the correlative stratigraphic interval from 7,540 to 7,750 feet as shown on the log of The Pure Oil Company, E.P. Cowden No. 1, API No. 42-003-04817, Andrews County, Texas. This entire correlative interval is designated as a single reservoir for proration purposes.

**RULE 2:** No well for oil or gas shall hereafter be drilled nearer than THREE HUNDRED AND THIRTY (330) feet to any property line, lease line, or subdivision line. There is no minimum between well spacing requirement. 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 therefor 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.

Provided, however, that for purposes of spacing for horizontal wells, the following shall apply:

a. No horizontal drainhole well for oil or gas shall hereafter be drilled such that the first and last take points are nearer than ONE HUNDRED (100) feet to any property line, lease line or subdivision line.

b. For each horizontal drainhole well, the perpendicular distance from any take point on such horizontal drainhole between the first take point and the last take point to any point on any property line, lease line, or subdivision line shall be a minimum of THREE HUNDRED AND THIRTY (330) feet.

**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 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. Except as permitted in Statewide Rules, no double assignment of acreage will be accepted. 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 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 prescribed by the Commission. There is no maximum diagonal limitation in this field.

An operator, at its option, shall be permitted to form optional drilling units of TEN (10) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit.

For the determination of acreage credit in this field, operators shall file for each oil well in this field a Form P-16, 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. For oil wells, operators shall be required to file, along with the Form P-16, a plat of the entire lease, unit or property; provided however that such plat shall not be required to show individual proration units. However, an operator may still file individual proration unit plats if they so desire.

**Rule 4:** The maximum daily oil top allowable for each well in the subject field shall be 126 barrels of oil per day and the actual allowable for an individual well shall be determined by the sum 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 SEVENTY-FIVE percent (75%) 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 TWENTY-FIVE percent (25%) of the maximum daily oil allowable above.

It is **ORDERED** that all other special field rules for the Dollarhide (Devonian) Field be cancelled and replaced by the applicable Commission Statewide Rule, with the exception that the Exempt Capacity Allowables now in effect for the OXY WTP LP North Dollarhide Unit (11267) or the Chevron Midcontinent, L.P. Dollarhide Unit (13867) in the Dollarhide (Devonian) Field remain in effect.

Further, it is **ORDERED** that the application of OXY USA WTP, LP for blanket Statewide Rule 10 exception authority is hereby approved to downhole commingle the Dollarhide (Clearfork) Field and the Dollarhide (Devonian) Field, Andrews County, Texas. Wells with commingled production shall be assigned to the Dollarhide (Devonian) Field for proration purposes.

The operator of any well downhole commingled in the 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 and shall file at the same time, the appropriate Commission required administrative Statewide Rule 10 exception downhole commingling fee.

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.**

Signed on August 6, 2019.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed  
by Hearings Division's Unprotested  
Master Order dated August 6, 2019)**