

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 06-0318019

APPLICATION OF BARROW-SHAVER RESOURCES CO. (053321) FOR A NEW FIELD DESIGNATION, TEMPORARY FIELD RULES AND TRANSFER OF WELLS FROM THE LINDEN, EAST (COTTON VALLEY) FIELD TO THE PROPOSED HIDDEN ROCK (COTTON VALLEY LIME) FIELD, CASS AND MORRIS COUNTIES, TEXAS

FINAL ORDER

The Railroad Commission ("RRC" or "Commission") finds that after statutory notice in the above-docketed case, heard on April 4, 2019, the presiding Technical Examiner and Administrative Law Judge ("Examiners") have made and filed a Proposal for Decision containing findings of fact and conclusions of law, which was served on all parties of record, and that this proceeding was duly submitted to the Commission at a conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the Proposal for Decision and the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates those findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Commission that the application of Barrow-Shaver Resources Co. for a new field designation for the Hidden Rock (Cotton Valley Lime) Field (ID No. 41096100) is hereby **APPROVED**.

It is further **ORDERED** by the Commission that the following four (4) wells are hereby transferred from the Linden, East (Cotton Valley) Field (ID No. 53671142) to the Hidden Rock (Cotton Valley Lime) Field (ID No. 41096100):

1. Barrow-Shaver Resources Co. Watson Well No. 1 (API No. 42-067-30787)
Lease ID 15607
2. Barrow-Shaver Resources Co. Downs Well No. 1 (API No. 42-067-30812)
Lease ID 15661
3. Barrow-Shaver Resources Co. Quarles Well No. 1 (API No. 42-343-30109)
Lease ID 15574
4. Barrow-Shaver Resources Co. Pollan Well No. 1 (API No. 42-343-30110)
Lease ID 15664

It is further **ORDERED** by the Commission that the Jenkins, Well No. 1 (API No. 42-067-30812) not be transferred into the Hidden Rock (Cotton Valley Lime) Field.

It is further **ORDERED** by the Commission that the following Temporary Field Rules shall be adopted for the Hidden Rock (Cotton Valley Lime) Field (ID No. 41096100) in Cass and Morris Counties.

RULE 1: The Hidden Rock (Cotton Valley Lime) Field is designated as the correlative interval from 11,420 to 11,540 feet as shown on the Dual Induction Log of the Barrow-Shaver Resources Co, Watson Well No.1 (API No. 42-064-30787) located in the A. Hampton Survey, Abstract 453, Cass County, Texas.

RULE 2: No well for oil or gas shall hereafter be drilled nearer than SIX HUNDRED SIXTY (660) feet to any property line, lease line, or subdivision line, and no well shall be drilled nearer than TWELVE HUNDRED THIRTY (1200) feet from any applied for, permitted, or completed well in the same reservoir on the same lease, pooled unit, or unitized tract. There is no spacing requirement between a vertical and a horizontal well. 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 rules 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 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 THREE HUNDRED TWENTY (320) acres. No proration unit shall consist of more than THREE HUNDRED TWENTY (320) acres except as otherwise provided herein or in the Commission's Statewide Rules. 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.

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, or 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. Operators shall not be required to file plats with the Form P-15 or Form P-16 Data Sheet showing individual proration units for oil 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 as it may require as evidence that interests in and under such proration unit have been so pooled.

RULE 4: The maximum daily oil allowable for a well in the field shall be determined by multiplying the applicable yardstick allowable for a well in the field by a fraction, the numerator of which is the acreage assigned to the well for proration purposes and the denominator of the which is the maximum acreage authorized by these field rules for a vertical well for proration purposes.

Each exception to the Examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

It is further **ORDERED** by the Railroad Commission of Texas that this order shall not be final and effective until 25 days after the Commission's order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code § 2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code § 2001.146(e). If a timely motion for rehearing of an application is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code § 2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law is hereby extended until 90 days from the date Commission Order is signed.

Signed on August 20, 2019.

RAILROAD COMMISSION OF TEXAS



CHAIRMAN WAYNE CHRISTIAN



COMMISSIONER CHRISTI CRADDICK



COMMISSIONER RYAN SITTON

ATTEST:

SECRETARY


