

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 02-0317578

**APPLICATION OF HILCORP ENERGY COMPANY (386310) TO CONSIDER
AMENDING THE FIELD RULES FOR THE WEST RANCH (GRETA) (96545364) FIELD,
JACKSON COUNTY, TEXAS**

FINAL ORDER

The Commission finds that after statutory notice of the application made by Hilcorp Energy Company (386310) in the above-numbered docket heard on March 18, 2019, 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 consideration of this matter, hereby adopts as its own the findings of fact and conclusions of law contained in the Report 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 Hilcorp Energy Company is hereby granted the permanent field rules for the West Ranch (Greta) Field, Jackson County, Texas. The field rules for the West Ranch (Greta) Field are hereby as follows:

RULE 1: The entire correlative interval from 5,094' to 5,249' in the West Ranch – A – 600 Well (API 42-239-33580) shall be designated as a single reservoir for proration purposes and be designated as the West Ranch (Greta) 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. 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 an 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 or gas well for the purpose of allocating allowable oil or gas production thereto shall be known as a proration unit. The standard drilling and proration units are established hereby to be TWENTY (20) acres. No proration unit shall consist of more than TWENTY (20) acres except as hereinafter provided; however, in the case of long and narrow leases or in cases where because of the shape of the lease such is necessary to permit the utilization of tolerance acreage, the Commission may, after proper showing, grant exceptions to the limitations as to the shape of proration units as herein contained. All proration units, however, shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of oil or gas. No double assignment of acreage will be accepted.

The Commission has found that to ensure effective and efficient drainage, portions of the field require a unit size which is a fractional part of the above prescribed proration unit. Therefore, an operator, at his option, shall be permitted to form optional proration units of TEN (10) acres.

RULE 4: For the determination of acreage credit in this field, operators shall file for each oil or gas 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 or gas 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. There is no maximum diagonal limitation in this field.

RULE 5: The oil allowable for this field is a maximum of 50 barrels per day per acre assigned to an oil well.

RULE 6: The allocation formula for this field shall be 100% acreage allocation for oil and gas allowable.

RULE 7: A capacity exempt allowable is established for this field pursuant to 16 TAC §3.48 for wells involved in an enhanced recovery operation. The daily allowable

production of oil from individual wells completed in the field shall not be subject to oil allowable proration or gas limit restriction and said allowable shall be set at capacity.

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 the 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 September 11, 2019.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotested Master
Order dated September 11, 2019)**