

RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL AND GAS DOCKET NO. 02-0320641

**APPLICATION OF HILCORP ENERGY COMPANY (386310) TO CONSIDER
AMENDING THE FIELD RULES FOR THE TOM O'CONNOR (4500 GRETA MASS.)
FIELD IN REFUGIO COUNTY, TEXAS**

FINAL ORDER

The Railroad Commission of Texas ("Commission") finds that after statutory notice in the above-numbered docket heard on July 16, 2019, the presiding 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 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.

It is **ORDERED** that the Field Rules, for the Tom O'Connor (4500 Greta Mass) Field (Field No. 90534350), are hereby amended. The amended Field Rules are set out in their entirety as follows:

RULE 1: No well for oil or gas shall hereafter be drilled nearer than ONE HUNDRED AND FIFTY (FIFTY) 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 ONE HUNDRED AND FIFTY (150) feet.

RULE 2: The density will not exceed one producing well for each 10 acres within the limits of each lease or pooled unit in the Subject Field. The filing of proration unit plats shall not be required.

RULE 3: The subject field shall be classified as salvage, with no regulatory limitation on oil, casinghead gas, or gas well gas production.

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 September 11, 2019.

RAILROAD COMMISSION OF TEXAS

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