

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 7C-0319829

**APPLICATION OF O'RYAN OIL AND GAS (617042) TO AMEND SPECIAL FIELD
RULES IN THE WYATT FIELD, CROCKETT COUNTY, TEXAS**

FINAL ORDER

The Railroad Commission of Texas ("Commission") finds that after statutory notice in the above-numbered docket heard on August 19, 2019, the Technical Examiner and Administrative Law Judge ("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 complies with all statutory requirements; and that this proceeding was duly submitted to the Commission at conference held in its offices in Austin, Texas on October 22, 2019.

The Commission, after consideration of the matter, hereby adopts as its own the findings of fact and conclusions of law contained in the Examiners' Report and Recommendation 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 Commission that Rules 2 and 3 of the Field Rules adopted in Final Order 7C-0232776 effective December 3, 2002, for the Wyatt Field are amended. The Field Rules, including amendments, in their entirety are as follows:

Rule 1: The entire correlative interval from 1245 feet to 1480 feet as shown on the Dual Laterolog log of the Amoco Production Company J.S. Todd "A" Lease, Well No. 14, Section 30, Blk WX, GC & SF RR Co. Survey, Crockett County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Wyatt Field.

Rule 2: No well for oil or gas shall hereafter be drilled nearer than TWO HUNDRED (200) feet to any property line, lease line, or subdivision line and no well shall be drilled nearer than FOUR HUNDRED (400) feet to any applied for, permitted or completed 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 the 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.

Rule 3: The acreage assigned to the individual oil 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 FORTY (40) acres. No Proration unit shall consist of more than FORTY (40) 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.

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 prescribed by the Commission.

An operator, at his option, shall be permitted to form optional drilling and fractional proration units of TEN (10) acres, with a proportional acreage allowable credit for a well on fractional proration units. There is no maximum diagonal limitation in this field. For the determination of acreage credit in this field, operators shall file for each well in this field a Form P-15 Statement of Productivity of Acreage Assigned to Proration Units, or form P-16 Data Sheet 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 plots 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 which is the maximum acreage authorized by these field rules for proration purposes, exclusive of tolerance acreage. The daily oil allowable for a well in the field shall be adjusted in accordance with Statewide Rule 49(a) when applicable.

Pursuant to § 2001.144(a)(4)(A), of the Texas Government Code, and the agreement of the applicant, this Final Order is effective when a Master Order relating to this Final Order is signed.

Done this 22nd day of October 2019, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotested Master
Order dated October 22, 2019)**