

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 03-0319830**

**APPLICATION OF T-C OIL COMPANY, LLC (833782) TO CONSIDER ADOPTING  
NEW FIELD RULES FOR THE BLISS (YEGUA B) FIELD, WALKER COUNTY, TEXAS**

**FINAL ORDER**

The Commission finds that after statutory notice in the above-numbered docket heard on July 19, 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 complies 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 the following permanent field rules for Bliss (Yegua B) Field, Walker County, Texas are hereby adopted and are set out in their entirety as follows:

**RULE 1:** The entire correlative interval from 3314 feet to 3327 feet, as shown on the Array Induction Spectral Density Dual Spaced Neutron Microlog for the Gemini No. 2 (API# 42-471-30382), shall be designated as a single reservoir for proration purposes and be designated as the Bliss (Yegua B) Field. The designated correlative interval is in the upper portion of the Yegua formation.

**RULE 2.** No well for oil or gas shall hereafter be drilled nearer than ONE HUNDRED FIFTY (150) feet to any property line, lease line or subdivision line and no well shall be drilled nearer than THREE HUNDRED (300) 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 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 respect to the subdivision of property shall be observed.

**RULE 3.** The acreage assigned to an 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 hereinafter provided. 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 allowed.

If after the drilling of the last well on any lease or pooled unit and the assignment of acreage to each well thereon in accordance with the regulations of the Commission there remains 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 TEN (10) acres may be assigned as tolerance acreage to the last well drilled on such lease or pooled unit 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 its option, shall be permitted to form optional drilling and proration units of TEN (10) acres for oil wells. 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 well in this field a 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. For each well, operators shall be required to file, along with the Form P-16, a plat of the lease, unit or property; provided that such plat shall not be required to show individual proration units. Operators may, however, file such proration unit plats for individual wells in the field if they so choose. There is no maximum diagonal limitation in this field.

**RULE 4.** The maximum daily oil allowable for each well in the subject field shall be 250 barrels of oil per day and the actual allowable for an individual well shall be determined by the sum total of the two following values:

a. Each well shall be assigned an allowable equal to FIFTY percent (50%) of the maximum daily oil allowable above.

b. 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 FIFTY percent (50%) 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.

**RULE 5.** Gas produced from an oil well in the field and reinjected into the reservoir from which it was produced shall not be counted against the gas limit for that well, as calculated pursuant to Statewide Rule 49 (16 T.A.C. §3.49). If any overproduction results because reinjected gas is counted against the gas limit, such overproduction shall be cancelled.

It is further **ORDERED** by the Commission that all overproduction in the Bliss (Yegua B) Field shall be cancelled.

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 effective on the date the Master Order relating to the Final Order is signed.**

Signed October 22, 2019.

**RAILROAD COMMISSION OF TEXAS**

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