

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 08-0319407

APPLICATION OF MCCLURE OIL COMPANY, INC. (540703) TO CONSIDER DESIGNATION FOR THE MARNE (LEONARD) FIELD, AND ADOPT TEMPORARY FIELD RULES, GLASSCOCK COUNTY, TEXAS

FINAL ORDER

The Railroad Commission of Texas ("Commission") finds that after statutory notice in the above-numbered docket heard on August 7, 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 Commission 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 application of McClure Oil Company, Inc. (540703) for a new field designation for the Marne (Leonard) Field (Field ID No. 57649 010), Glasscock County, Texas, is approved.

It is further **ORDERED** that the following Temporary Field Rules shall be adopted for the Marne (Leonard) Field (Field ID No. 57649 010), Glasscock County, Texas. The adopted temporary Field Rules are set out in their entirety as follows:

RULE 1: The entire correlative interval from 5,635 feet to 5,748 feet as shown on the log of the Conquest Exploration Company L.C. Clark Estate #1-39 (API No. 42-173-31554) (Section 39, Blk. 35, T&P RR Co. Svy) Glasscock County, Texas shall be designated as a single reservoir for proration purposes and be designated as the Marne (Leonard) Field.

RULE 2: No well for oil or gas shall hereafter be drilled nearer than **THREE HUNDRED THIRTY THREE (330)** feet to any property line, lease line or subdivision line and no well shall be drilled nearer than **SIX HUNDRED SIXTY (660)** 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 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 an 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 ONE HUNDRED SIXTY (160) acres. No proration unit shall consist of more than ONE HUNDRED SIXTY (160) acres except as hereinafter provided. All proration units shall consist of continuous and contiguous acreage which can reasonably be considered productive of oil or gas. No double assignment of acreage will be accepted.

For 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. For oil and gas wells, operators shall be required to file, along with the Form P-15 or P-16, a plat of the lease, unit or property; provided that such plat shall not be required to show individual proration units. There is no maximum diagonal in this field.

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 shall be adjusted in accordance with Statewide Rule 49(a) when applicable.

It is further **ORDERED** that these rules are temporary and effective for a two-year period until November 19, 2021 or until Commission staff evaluates appropriate data after notice and opportunity for hearing as offered by the Commission prior to the expiration of the rules. After this notice and opportunity for hearing, should be evidence evaluated during review be insufficient to sustain spacing or proration unit rules, these temporary rules, on the Commission's motion, will be terminated and the field will revert to Statewide spacing and density rules.

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 November 19, 2019.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotested Master Order
dated November 19, 2019)**