

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 08-0317486**

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**APPLICATION OF XTO ENERGY INC. (945936) TO AMEND FIELD RULES FOR THE  
JORDAN WEST (WOLFCAMP) FIELD, CRANE COUNTY, TEXAS**

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**FINAL ORDER**

The Railroad Commission of Texas ("Commission") finds that after statutory notice in the above-numbered docket heard on February 22, 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** by the Commission that the following field rules below, for the Jordan West (Wolfcamp) Field (Field 47274800), Crane County, Texas are **ADOPTED**. The adopted Field Rules are set out in their entirety as follows:

**RULE 1:** The entire correlative interval from 6,962 feet to 7,232 feet as shown on the log of the XTO Energy Inc. Connell W E NCT-2 Well No. 172 (API No. 42-135-3369300), Crane County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Jordan West (Wolfcamp) Field. This designated correlative vertical interval includes the entire Wolfcamp Formation extending from the base of the Wichita Albany to the top of the Woodford Shale.

**RULE 2:** No well for oil shall hereafter be drilled nearer than FOUR HUNDRED SIXTY-SEVEN (467) feet to any property line, lease line, or subdivision line. No well shall be drilled closer than NINE HUNDRED THIRTY-THREE (933) feet from any other well located 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 in either field. 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. Provided, however, that for purposes of spacing for horizontal drainhole wells, the following shall apply:

- a. A take point in a horizontal drainhole well is any point along a horizontal drainhole where oil and/or gas can be produced from the reservoir/field interval. The first take point may be at a different location than the penetration point and the last take point may be at a location different than the terminus point.
- b. No horizontal drainhole well for oil shall hereafter be drilled such that the first and last take points are nearer than THREE HUNDRED THIRTY (330) feet to any property line, lease line or subdivision line.
- c. For each horizontal drainhole well, the distance perpendicular to such horizontal drainhole from any take point to any point on any property line, lease line or subdivision line shall be a minimum of FOUR HUNDRED SIXTY-SEVEN (467) feet.

Distances for purposes of spacing exceptions shall be measured in the same manner as the spacing requirement such that notice distances from first and last take point shall be measured FOUR HUNDRED SIXTY SEVEN (467) feet perpendicular to the horizontal well and in a THREE HUNDRED THIRTY (330) foot radius from the first and last take points.

**RULE 3:** The acreage assigned to an individual well shall be known as a proration unit. The standard drilling and proration units are established hereby to be EIGHTY (80) acres. No proration unit shall consist of more than EIGHTY (80) acres except as hereinafter provided. There is no maximum diagonal limitation in this field. All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of oil. Except as provided in these rules, 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 EIGHTY (80) acres, then and in such event the remaining unassigned acreage up to and including a total of FORTY (40) 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.

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. For oil wells, 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.

**RULE 4:** Allocation of allowable shall be based 100% on acreage. The maximum daily oil allowable for each oil well on an EIGHTY (80) acre unit in the subject field shall be 198 barrels of oil per day. Vertical wells assigned the additional FORTY (40) acres of tolerance acreage, and horizontal wells assigned additional acreage pursuant to Statewide Rule 86 will qualify for proportionate increases in allowable.

**RULE 5:** An oil well will be granted administratively, without necessity of filing fees unless the Commission requires filing fees in the future for Statewide Rule 51 (a) exceptions, a six month exception to the provisions of Rule 51 (a) regarding the 30 day rule for filing the potential test after testing of the well. This will allow for the backdating of allowables on the oil wells without requiring a waiver to be secured from all field operators. This rule will grant the Commission the authority to issue an allowable back to the initial completion date for all oil wells in the field to prevent unnecessary shut-ins to alleviate potential overproduction issues related to the completion paperwork filings and producing the oil wells without tubing. If an extension of time is granted under Rule 9, the exception to Statewide Rule 51 (a) under this rule is automatically extended for the additional time.

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 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 Unprotected Master  
Order dated November 19, 2019)**