

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. OG-19-00001691**

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**APPLICATION OF SANDALWOOD EXPLORATION, L.P. (747194) TO CONSIDER  
AMENDING THE FIELD RULES FOR THE JOHNS (HOCKLEY UPPER) FIELD,  
DUVAL COUNTY, TEXAS, DISTRICT 04**

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**FINAL ORDER**

The Railroad Commission of Texas ("Commission") finds that after statutory notice in the above-numbered docket heard on January 8, 2020, 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 Railroad Commission of Texas at conference held in its offices in Austin, Texas on March 4, 2020.

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 Railroad Commission of Texas that the field rules for the Johns (Hockley Upper) Field (No. 46993664) in Duval County, Texas, are hereby amended and set out in their entirety as follows:

**Rule 1:** The Johns (Hockley Upper) Field is defined as the correlative interval from 3568'-3586' as shown on the Electrical Log of the Sun Oil Co. William F. Fitzsimmons #2 Well (API No. 42-131-01244) located in J. Pointevent Survey No. 291, A-410 Duval County, Texas.

**Rule 2:** No well for oil or gas shall hereafter be drilled nearer than THREE HUNDRED THIRTY (330) 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 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 TEN (10) acres. No proration unit shall consist of more than TEN (10) 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.

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 plats 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. There is no maximum diagonal limitation in this field.

**Rule 4:** Each oil well shall be assigned an allowable of TEN (10) barrels of oil per day for each acre in the proration unit for the well.

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 4<sup>th</sup> day of March 2020, in Austin, Texas.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
Hearings Division's Unprotested Master  
Order dated March 4, 2020)**