

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 08-0327331

APPLICATION OF BOSQUE TEXAS OIL LLC (OPERATOR NO. 083288) FOR A NEW FIELD DESIGNATION AND TEMPORARY FIELD RULES FOR THE PROPOSED RUPPEL (WOODFORD) FIELD, WARD AND WINKLER COUNTIES, TEXAS, DISTRICT 08

FINAL ORDER

The Railroad Commission of Texas ("Commission") finds that after statutory notice in the above-numbered docket heard on October 28, 2020, the Technical Examiner and Administrative Law Judge ("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 complies 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 review and due 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** that a new field designation and temporary field rules be adopted for the Ruppel (Woodford) Field in Ward and Winkler Counties, Texas.

The temporary field rules are hereby set out in their entirety as follows:

RULE 1: The entire correlative interval from 11,397 feet to 13,382 feet as shown on the log of the G.W. O'Brien et al. Well No. 880 (API No. 42-495-20260) Winkler County, Texas shall be designated as a single field for proration purposes and be designated as the Ruppel (Woodford) Field; i.e. from the top of the Barnett formation down to the bottom of the Woodford Formation.

RULE 2: No well for oil or gas shall hereafter be drilled nearer than THREE HUNDRED AND 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 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. Provided, however, that for purposes of spacing for horizontal wells, the following shall apply:

- a. No horizontal drainhole well for oil or gas shall hereafter be drilled such that the first and last take points are nearer than ONE HUNDRED (100) feet to any property line, lease line, or subdivision line.
- b. For each horizontal drainhole well, the perpendicular distance from any take point on such horizontal drainhole between the first take point and the last take point to any point on any property line, lease line, or subdivision line shall be a minimum of THREE HUNDRED AND THIRTY (330) feet.

In addition to the penetration point and the terminus of the wellbore required to be identified on the drilling permit application (Form W-1H) and plat, the first and last take points must also be identified on the drilling permit application (remarks section) and plat.

RULE 3: The acreage assigned to an individual oil well for the purpose of allocating allowable oil production thereto shall be known as a proration unit. The standard drilling and proration units are established hereby to FORTY (40) 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 productive oil. No double assignment of acreage will be allowed, except in accordance with Rule 40.

Notwithstanding the above, operators may elect to assign a tolerance of not more than FORTY (40) acres of additional unassigned lease acreage to a well on a FORTY (40) acre unit and shall in such event receive allowable credit for not more than EIGHTY (80) acres.

Furthermore, for the purpose of additional acreage assignment to horizontal drainhole wells under Statewide Rule 86(d)(1), the amount specified by applicable rules for a proration unit for a vertical well shall be EIGHTY (80) acres assigned in this **Rule 3** plus the acreage assigned

pursuant to the chart, referenced in Statewide Rule 86(d)(1) and identified as “For Fields with a Density Rule Greater than 40 Acres,” shall apply to the Ruppel (Woodford) Field.

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. 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 oil or gas wells, operators shall be required to file, along with the Form P-16, a plat of the entire lease, unit or property, provided that such plat shall not be required to show individual proration units. However, an operator may at their option file the Form P-16 and individual proration plats at their sole discretion.

RULE 4: The maximum daily oil allowable for each vertical well in the subject field shall be the 1965 Yardstick Allowable 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.
- 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 exclusive of tolerance acreage.

The allowable for horizontal wells is governed by Rule 86’s allowable for horizontal wells in UFT Fields. See 16 TAC 3.86(d)(5).

RULE 5: The Ruppel (Woodford) Field is designated a UFT field under Rule 86 and subject to all applicable rules and provisions thereunder. See 16 TAC 3.86(i).

The Bosque wells associated with the correlative interval of the Ruppel (Woodford) Field (API Nos. 42-495-34217, 42-475-37996, 42-495-34444, 42-475-38095, and 42-475-38122) shall be transferred to the Ruppel (Woodford) Field and Commission Form W-1 shall not be required to transfer the wells.

It is further **ORDERED** that these rules are temporary and effective for a two-year period until February 22, 2023, 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 evidence

evaluated during review be insufficient to sustain spacing, proration unit, allowable production, or well classification rules, those respective unsupported temporary rules, on the Commission's motion, will be terminated and the field will revert to appropriate spacing, density, allowable production or well classification rules as designated by the Commission in its final order.

Pursuant to § 2001.144(a)(4)(A) of the Texas Government Code and by agreement of the applicant in writing or on the record, this Final Order is final and effective on the date when a Master Order relating to the Final Order is signed.

Signed on February 23, 2021

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed
by Hearings Division's Unprotested
Master Order dated February 23, 2021)**