

**RAILROAD COMMISSION OF TEXAS  
OFFICE OF GENERAL COUNSEL**

OIL AND GAS DOCKET  
NO. 08-0265981

IN RE: CONSERVATION AND PREVENTION  
OF WASTE OF CRUDE PETROLEUM  
AND NATURAL GAS IN THE STATE OF  
TEXAS

Amended to add Reeves County

Austin, Texas  
June 8, 2010

**AMENDED**

**NOTICE OF HEARING**

ON THE APPLICATION OF J. CLEO THOMPSON  
TO CONSIDER STANDING AND IF APPROVED  
TO CONSIDER CONSOLIDATION OF THE BALMORHEA RANCH  
(BONE SPRINGS), BLOUNT (BONE SPRINGS), CABLE (WOLFCAMP),  
GUTHRIE (WOLFCAMP), HOBAN (BONE SPRINGS),  
HOBAN (WOLFCAMP), HOBAN, S. (WOLFCAMP), MARSDEN (PERMIAN),  
RIPPLINGER (WOLFCAMP), ROJO CABALLOS (WOLFCAMP),  
TORO (WOLFCAMP), AND WORSHAM-BAYER (WOLFCAMP) FIELDS  
INTO A SINGLE FIELD TO BE KNOWN AS THE  
WOLFBONE (TREND AREA) FIELD  
PECOS, REEVES AND WARD COUNTIES, TEXAS

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NOTICE IS HEREBY GIVEN to the public and to all interested persons that under the legal authority and jurisdiction of Title 3, Oil and Gas, Subtitles A, B, and C of the Texas Natural Resources Code, Chapters 26, 27 and 29 of the Texas Water Code, and TEX. GOV'T CODE ANN. art. §§ 2001 *et seq.* (2010), the RAILROAD COMMISSION OF TEXAS will hold a hearing on **JUNE 29, 2010, at 9:00 a.m.** at the William B. Travis State Office Building, 1701 N. Congress Avenue, Austin, Texas. This hearing will be conducted in conformity with the TEX. GOV'T CODE ANN. art. §§ 2001 *et seq.* (2010). For room assignment, on the date of the hearing please check the bulletin board in the 1st Floor lobby. Persons planning to attend this hearing are urged to contact the applicant (see service list) immediately prior to the hearing date to be sure that the hearing will proceed on the scheduled date.

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This hearing will be held to consider the application of to consider standing and, if approved, to consider consolidation of the Balmorhea Ranch (Bone Springs), Blount (Bone Spring), Cable (Wolfcamp), Guthrie (Wolfcamp), Hoban (Bone Springs), Hoban (Wolfcamp), Hoban, S. (Wolfcamp), Marsden (Permian), Ripplinger (Wolfcamp), Rojo Caballos (Wolfcamp), Toro (Wolfcamp) and Worsham-Bayer (Wolfcamp) fields into a single field to be known as the Wolfbone (Trend Area) Field, Pecos, Reeves and Ward Counties, Texas. Applicant further proposes adoption of field rules for the proposed consolidated field, as follows:

1. Field interval from 8,070' to the top of the Bone Springs interval at approximately 13,100'—the base of the Wolfcamp-Permian/top of Pennsylvanian in the Sinclair Collier Well No. 1, API 389-10544, Sec. 14, Blk 52, T&P RR Co. Survey, Reeves County, Texas. The field interval is intended to include all of the Bone Springs and Wolfcamp formations.
2. 467' lease line and 0' between well spacing.
3. Horizontal spacing rules.
  - a. Take-point rule providing that the permitted portion of horizontal well is from first take-point to last take-point. The proposed rule would also allow "no-perf" zones to comply with the spacing rule relative to tracts in a pooled unit that have an unpooled interest and are less than a regular spacing distance from the drainhole from first take-point to last take-point.
  - b. Off-lease/pooled unit penetration-point rule allowing penetration point for horizontal well to be off-lease/pooled unit, with notice to and opportunity for offset operator, mineral lessee or unleased mineral owner to object. First take-point to last take-point/terminus would have to be within the lease/pooled unit.
  - c. As-drilled 50' box rule (if as-drilled drainhole from first take-point to last take-point is within 50' either side of permitted drainhole, as-drilled location complies with drilling permit).
  - d. As-drilled plat showing lease or pooled unit boundaries, surface location, penetration point, first and last take-points, terminus, drainhole path, any no-perf zone and any tract within pooled unit that is less than a regular spacing distance from

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the drainhole from first take-point to last take-point required to be filed with completion papers.

**4. Drilling and Proration Units**

- a. Gas Wells: 640-acre standard units plus 10% tolerance with 40-acre optional units.
- b. Oil Wells: 320-acre standard units with 40-acre optional units.
- c. No maximum diagonal rule.
- d. No proration unit plat required to be filed. Form P-15 or other statement required to show number of acres assigned to each well for proration purposes.
- e. Distance from first to last take-point determines length of drainhole and additional acreage that can be assigned for proration/allowable purposes, as provided in the following table:

Horizontal Drainhole Displacement (feet)	Additional Acreage Allowed (acres)**
0' -1,500'	0
1,501' - 3,000'	160
3,001' - 4,500'	320
Each additional 1,500'	160

\*\* The acreage assigned to a horizontal OIL well shall not exceed 704 acres

**5. Allocation Formula**

- a. Gas: 75% acreage, 25% deliverability. Gas wells will be associated-prorated wells and the allocation formula will be suspended (AOF). The allocation formula in all fields to be consolidated is either currently suspended or the fields are on AOF status because they are one-well fields.
- b. Oil: 75% acreage, 25% per well. Top allowable (MER) of 960 bopd for a well on 320 acres. Allowable will be adjusted up or down according to the formula for wells with more or less than 320 acres assigned.

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**If you have questions regarding this application, please contact the Applicant's representative, John Soule, at (512) 495-6300. If you have any questions regarding the hearing procedure, please contact the Railroad Commission, Office of General Counsel, at (512) 463-6848.**

**IF A CONTINUATION IS NECESSARY, this hearing will proceed at the William B. Travis State Office Building, Austin, Texas, and, to the extent possible, on subsequent working days. The room number and exact time of the continuation will be announced on the record in this proceeding and recorded with Docket Services, Office of General Counsel, Railroad Commission of Texas.**

**PURSUANT TO SAID HEARING, the Commission will enter such rules, regulations, and orders as in its judgment the evidence presented may justify.**

**ANY REQUEST FOR POSTPONEMENT of this hearing must be received no later than five (5) working days prior to the scheduled date shown above. Copies of such request must be forwarded to all parties shown on the service list.**

**TO APPEAR IN SUPPORT OF OR IN OPPOSITION TO THIS PROCEEDING, a party other than the applicant must file with Docket Services, Office of General Counsel, at least five (5) working days in advance of the hearing date. A copy of the notice of intent to appear should be served on the applicant and any other parties of record.**

**IF ANY PARTY DESIRES A WRITTEN TRANSCRIPT of the hearing by a Court Reporter, that party should notify Docket Services at (512) 463-6848, at least five (5) working days in advance of the hearing date. If a written transcript is requested, the Commission may assess the cost of**

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the transcript to one or more parties. Unless any party requests a written transcript, the record will be made by audio recording.

ANY INDIVIDUAL WITH A DISABILITY who needs auxiliary aids and services in order to have an equal opportunity to effectively communicate and participate in this hearing must request such aids or services at least two weeks prior to the scheduled hearing by notifying the Personnel office of the Railroad Commission of Texas by mail at P.O. Box 12967, Austin, Texas 78711-2967, or by telephone at (512) 463-7327 or TDD No. (512) 463-7284.

ALL EXHIBITS FILED AS A PART OF THE RECORD in this cause must be submitted in duplicate. Data in Commission records may be incorporated by reference, but the reference must be specific, and if it includes exhibits filed in prior proceedings before the Commission, a copy of such exhibit properly identified shall be submitted for this record.

THE APPLICANT MUST review this notice and the attached service list for accuracy and completeness. The applicant shall immediately notify Docket Services, Office of General Counsel of any discrepancy or omission.