

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 08-0323183

APPLICATION OF DE3 OPERATING LLC (518310) FOR AN EXCEPTION TO STATEWIDE RULE 10 TO DOWNHOLE HOLE COMMINGLE FOR THE SHADY OAKS LEASE, WELL NO. 1, SPRABERRY (TREND AREA) FIELD, BETTY SUE (STRAWN) FIELD, PETTY 48 (UPPER STRAWN) FIELD, PAUL PAGE (ATOKA) FIELD, AND CEDAR FLATS (MISS) FIELD, MIDLAND COUNTY TEXAS

FINAL ORDER

The Commission finds that after statutory notice in the above-numbered docket heard on November 21, 2019, the presiding examiners have made and filed a report (the "Report") and recommendation 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 Railroad Commission of Texas 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 Railroad Commission of Texas that the application of DE3 Operating LLC for an exception to Statewide Rule 10 is hereby approved to downhole commingle the Spraberry (Trend Area) Field, the Betty Sue (Strawn) Field, the Petty 48 (Upper Strawn), the Paul Page (Atoka) Field, and the Cedar Flats(Miss) Field (the "Subject Fields") in the Shady Oaks Lease, Well No. 1 (the "Well"), Midland County, Texas.

The Well may be commingled in any combination of the Subject Fields. Commingled production shall be assigned to the Spraberry (Trend Area) Field if a completion is made in that field. Otherwise, the field assignment will be at the operator's discretion.

Acreage assigned to the Well for allocation of allowable shall not be assigned to any other well or wells projected to be completed in the Subject Fields; such duplicate assignment of acreage is not acceptable, provided however, that this limitation shall not prevent the reformation of development or proration units so long as no duplicate assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations.

DE3 Operating LLC shall file the appropriate drilling permit, completion forms, an abbreviated Statewide Rule 10 Data Sheet for the Well's Statewide Rule 10 exception and shall file at the same time, the appropriate Commission required administrative Statewide Rule 10 exception downhole commingling fee.

Pursuant to § 2001.144(a)(4)(A), of the Texas Government Code, and by agreement of the Parties on the record, **the parties have waived right to file a Motion for Rehearing and this Final Order is effective on the date the Master Order relating to the Final Order is signed.**

Signed on December 17, 2019.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotected Master
Order dated December 17, 2019)**