

RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL & GAS DOCKET
NO. 01-0283977

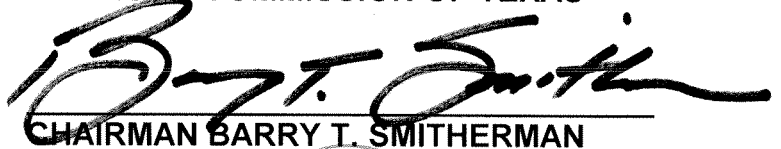
THE APPLICATION OF SPARKMAN
ENERGY, LLC FOR COMMERCIAL
DISPOSAL AUTHORITY PURSUANT TO
STATEWIDE RULE 9 FOR THE
EDWARDS SWD LEASE, WELL NO. 1H,
A.W.P. (OLMOS) FIELD, MCMULLEN
COUNTY, TEXAS

ORDER
DENYING THE MOTION FOR REHEARING

The Commission has considered on its merit the Motion for Rehearing filed by Edna Holt on January 8, 2014, and the Motion for Rehearing is hereby **DENIED**. All relief requested and not granted is hereby **DENIED**.

Done this 18th day of February, 2014.

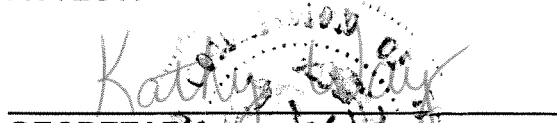
RAILROAD COMMISSION OF TEXAS


CHAIRMAN BARRY T. SMITHERMAN


COMMISSIONER DAVID PORTER


COMMISSIONER CHRISTI CRADDICK

ATTEST:


SECRETARY



RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

CONSOLIDATED
OIL & GAS DOCKET NOS. 8A-0278263 & 8A-0279792

**APPLICATION OF THE GEORGE R. BROWN PARTNERSHIP, L.P., TO CONSIDER
SURFACE COMMINGLING AUTHORITY PURSUANT TO S.W.R. 26 AND 27 FOR
THE J.W. MORRISON LEASE, WELL NOS. 3, 4, & 5, LYN-KAY (6200) FIELD, KENT
COUNTY, TEXAS**

&

**COMMISSION CALLED HEARING TO PROVIDE THE GEORGE R. BROWN
PARTNERSHIP, L.P., AN OPPORTUNITY TO SHOW CAUSE WHY THEY ARE NOT
IN BREACH OF SURFACE COMMINGLING AUTHORITY PURSUANT TO S.W.R. 26
AND 27 FOR THE J.W. MORRISON LEASE, WELL NOS. 3, 4, & 5, LYN-KAY (6200)
FIELD, KENT COUNTY, TEXAS**

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on February 14, 15, & 26, 2013, the examiners have made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record, 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 review and due consideration of the proposal for decision and the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts as its own the findings of fact and conclusions of laws Nos. 1 through 6 and 8 contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

The Commission hereby adopts the following additional finding of fact:

12. Well No. 5 of the J.W. Morrison Lease (61687), Lyn-Kay (6200) Field, Kent County, Texas, was completed in October 2012, and its production was commingled with Well Nos. 3 and 4 beginning in October 2012.

The Commission hereby adopts the following substitute conclusion of law:

7. Under the facts of this case the Commission has jurisdiction under SWRs 26 and 58(b) to order an operator that has filed erroneous production reports for past months to file corrected production reports on Commission Form PR for those months as directed by the Commission.

It is accordingly **ORDERED** that the George R. Brown Partnership, L.P.'s Motion to Dismiss its application for a surface commingling authority and its Motion to Dismiss the complaint of G.W. Brock and Whiting Oil and Gas Corporation be **DENIED**.

Further, it is accordingly **ORDERED** the application of the George R. Brown Partnership, L.P. to surface commingle oil production from Well No. 4 on the J.W. Morrison "A" Lease (69907), Lyn-Kay (6200) Field, Kent County, Texas and Well Nos. 3 and 5 on J.W. Morrison Lease (61687), Lyn-Kay (6200) Field, Kent County, Texas, is hereby **APPROVED**.

As special conditions to this surface commingling authority, the George R. Brown Partnership, L.P. must:

1. Monthly isolate and separately measure production from Well No. 4 on the J.W. Morrison "A" Lease (69907), Lyn-Kay (6200) Field, Kent County, Texas, by implementing the procedures for meter proving and isolation of Well No. 4 for separate and continuous measurement as set out in Whiting Ex. 15-R in this docket, all of which should be implemented within thirty (30) days after this order becomes final; and
2. The first full month after the requirements of 1. have been satisfied, allocate total production by using the measured volumes from Well No. 4 on the J.W. Morrison "A" Lease (69907), Lyn-Kay (6200) Field, Kent County, Texas and Well Nos. 3 and 5 on J.W. Morrison Lease (61687), Lyn-Kay (6200) Field, Kent County, Texas, as set out in Whiting Ex. 18-R, Paragraph 3.

It is further **ORDERED** by the Commission that, within thirty (30) days after this order becomes final, the George R. Brown Partnership, L.P. must reallocate and file corrected Commission Forms PR for production for Morrison Well Nos. 3 and 4 for the months of January through September 2012 in the amounts shown for each well in the bottom half of Whiting Ex. 19 in this docket; and, that George R. Brown Partnership, L.P. must reallocate and file corrected Commission Forms PR for production months beginning October 2012 until the first full month the procedures outlined in paragraphs 1 and 2 above imposing conditions on Brown's commingling permit for the Morrison Lease are fully implemented, as set out in paragraph 2.b.ii. of Whiting Ex 18-R in this docket.

Each exception to the examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the parties are notified of the order.

Done this 18th day of February, 2014.

RAILROAD COMMISSION OF TEXAS



CHAIRMAN BARRY T. SMITHERMAN

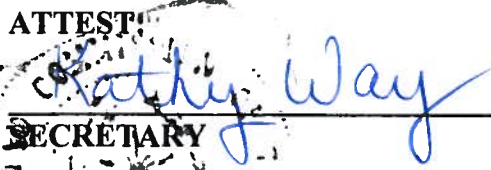


COMMISSIONER DAVID PORTER

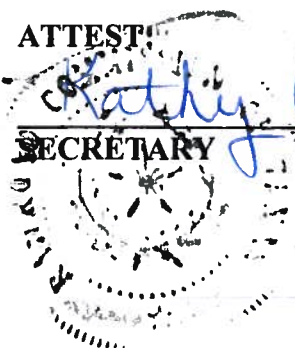


COMMISSIONER CHRISTI CRADDICK

ATTEST



SECRETARY



Morrison, J. W. Lease
Meter Proving Procedure and
Isolation of Well #4 For Separate & Continuous Measurement

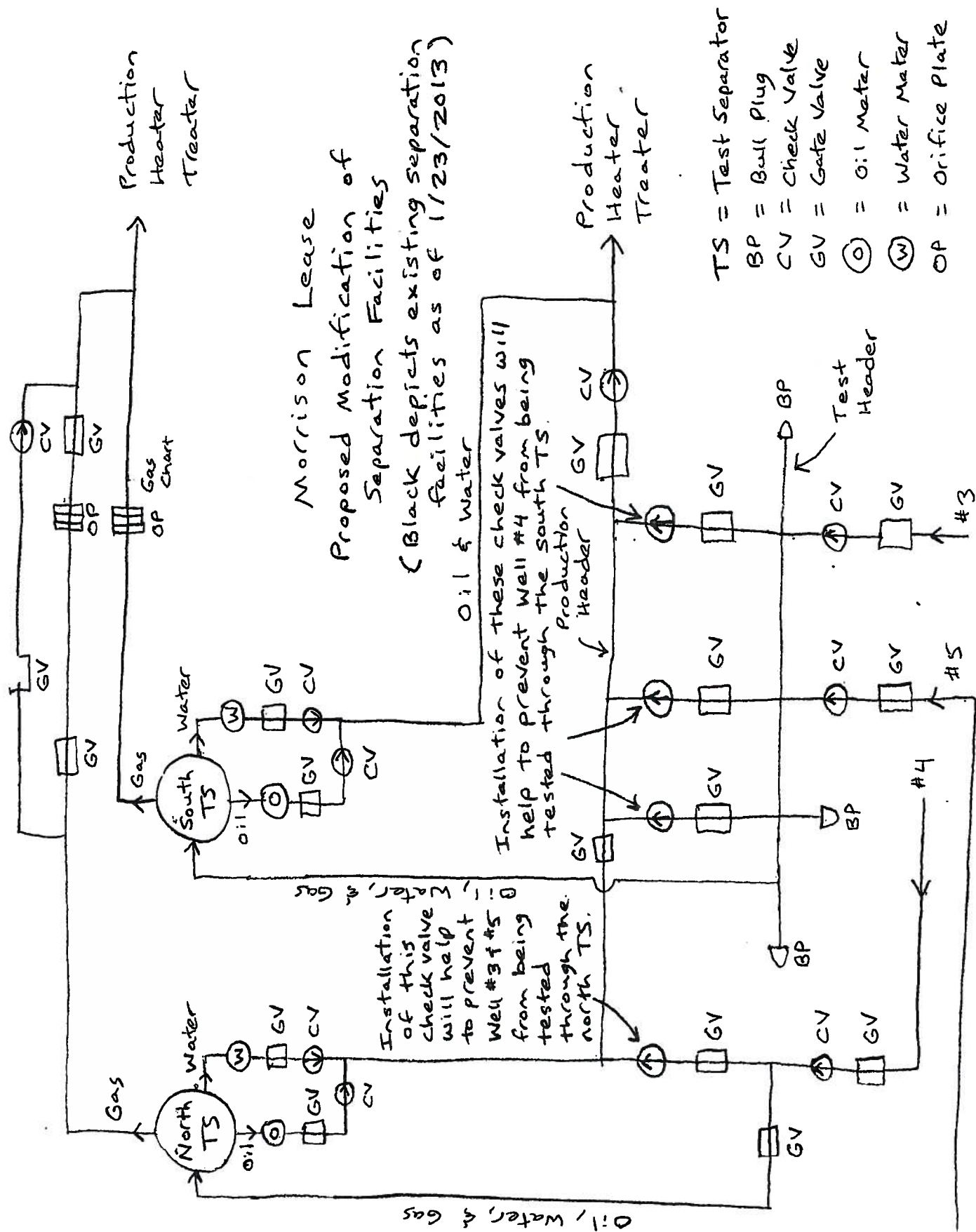
- 1) Immediately prove the oil meter connected to the old test separator and the oil meter connected to the new separator.
- 2) Disconnect the Well #4 flowline from the test header until the payout penalty on the completion of Well #4 expires. Install check valve in Well #4 test separator bypass line before Well #4 test separator bypass line enters production header. Install check valve in Well #3 line between test header and production header. Install check valve in line between test header and production header previously connected to Well #4. Install check valve in Well #5 line between test header and production header. The locations of the 4 new check valves are depicted on Page 2 of this exhibit.
- 3) Provide daily gauge reports and all daily well tests for Well #3, Well #4, and Well #5 to Whiting Oil and Gas Corporation and G. W. Brock on a monthly basis until the payout penalty on the completion of Well #4 expires.
- 4) Continuously test Well #4 through the new test separator. Rotate the testing of Well #3 and Well #5 weekly through the old test separator. Each month, compare the sum of the well tests from Well #3, Well #4, and Well #5 for the month to the monthly sum of the tank gauge readings. If the monthly sum of the well tests is more than 10% different than the monthly sum of the tank gauge readings, prove the oil meter connected to the old test separator and the oil meter connected to the new test separator.
- 5) Prove the oil meter connected to the old test separator and the oil meter connected to the new separator at least once every three months.

Method to Prove Oil Meter

- 1) Pull turbine meter to be calibrated out of the oil line leaving test separator.
- 2) Hook up turbine meter to trailer mounted system that has a positive displacement meter.
- 3) Perform flow test to compare turbine meter to positive displacement meter for accuracy.
- 4) Recalibrate turbine meter(s).
- 5) Install turbine meter in the oil line leaving test separator.

15-R

Whiting Oil & Gas Corp.
Exhibit No.:
Docket/Case No.: 8A-0278263
Date: February 14, 2013



Whiting and Brock Requested Relief

1. Condition approval of Brown's Rule 26 Exception upon Order adopting the conditions set out in Whiting Exhibit 15R Meter Proving Procedure and Isolation of Well #4 For Separate & Continuous Measurement ("Meter Proving Procedure"), and issuance of an Order including the relief set out in items 2 and 3 below.
2. To correct misallocation of Morrison Lease production Order Brown to:
 - a. Make P6 Subdivision of Morrison "A" Lease effective January 2012.
 - b. File a corrected Production Report ("PR") for the Morrison Lease and a PR for the Morrison "A" Lease with reallocated production for each lease for:
 - i. the months of January 2012 through September 2012 as shown on Whiting Exhibit ~~18-R~~ (Oil Prod DC Alloc EqL Down Days (4 Days Down)); 19
 - ii. the months of October 2012 until the first full month the Meter Proving Procedure is fully implemented and in compliance with its terms, by calculating the percentage

Whiting Oil & Gas Corp.
Exhibit No.:
Docket/Case No.: 84-0278263
Date: February 14, 2013

of the total production allocable to the Morrison "A" Lease during the first full month the Meter Proving Procedure is fully implemented, and then applying that percentage to the total production each month beginning October 2012 to calculate the Morrison "A" Lease production for these months, with the remainder allocated to the Morrison Lease.

3. Use the metered volumes for the Morrison "A" Lease and the Morrison Lease to allocate total production beginning with the first full month the Meter Proving Procedure is fully implemented and all months thereafter, until the lease is no longer subdivided.

Oil Prod DC Alloc Eql Down Days

Whiting Oil & Gas Corp.

Exhibit No.:
Docket/Case No.: 84-0278263
Date: February 14, 2013

Morrison, J. W. Lease								
Oil Production Allocation								
		Well #3	Well #3	Well #4	Total	GRBP Allocation		
		Production	Production	Production	Lease	Data Summary		Well #3
		Predicted	Allocated	Allocated	Production	Well #3	Well #4	Prorated
Month	Days	(BOPD)	(BO)	(BO)	(BO)	Days Down	Days Down	Days Down
Jan-12	31	18.93	586.68	388.32	975	13	0	0.87
Feb-12	29	18.75	543.80	1245.20	1789	0	0	0.00
Mar-12	31	18.59	576.33	202.67	779	2	2	0.13
Apr-12	30	18.42	552.64	866.36	1419	9	2	0.60
May-12	31	18.26	566.00	810.00	1376	0	0	0.00
Jun-12	30	18.09	542.73	534.27	1077	4	0	0.27
Jul-12	31	17.93	555.85	531.15	1087	11	0	0.73
Aug-12	31	17.77	550.77	330.23	881	21	0	1.40
Sep-12	30	17.60	528.12	782.88	1311	0	0	0.00
Oct-12	31				1327			
Nov-12	30				905			
Dec-12	31				1015			
9/12 YTD	274		5002.925	5691.075	10694	60	4	4.00
9/12 YTD						21 90	1.46	% Days Down
2012					13941			

Assumption: Since Well #4 was down 4 days for 9/2012 YTD, use same number of down days for Well #3.

Oil Production Allocation								
Including Well #3 Allocated								
Down Days		Well #3		Well #4	Total	Well #3		
		Production		Production	Lease	No Days Dwn	Well #3	Well #3
		Allocated		Allocated	Production	Production	Well #3	Days Down
Month	Days	(BOPD)	(BO)	(BO)	(BO)	Predicted	Prorated	Reduction
						(BOPD)	Days Down	(BO)
Jan-12	31	18.40	570.27	404.73	975	18.93	0.87	16.40
Feb-12	29	18.75	543.80	1245.20	1789	18.75	0.00	0.00
Mar-12	31	18.51	573.85	205.15	779	18.59	0.13	2.48
Apr-12	30	18.05	541.58	877.42	1419	18.42	0.60	11.05
May-12	31	18.26	566.00	810.00	1376	18.26	0.00	0.00
Jun-12	30	17.93	537.91	539.09	1077	18.09	0.27	4.82
Jul-12	31	17.51	542.71	544.29	1087	17.93	0.73	13.15
Aug-12	31	16.96	525.89	355.11	881	17.77	1.40	24.87
Sep-12	30	17.60	528.12	782.88	1311	17.60	0.00	0.00
Oct-12	31				1327			
Nov-12	30				905			
Dec-12	31				1015			
9/12 YTD			4930.145	5763.855	10694		4.00	72.780
2012					13941			

Note: Well #3 allocated 9/2012 YTD production minus Well #3 allocated 9/2012 YTD production including prorated down days = 5002.925 - 4930.145 = 72.780.