

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

BARRY T. SMITHERMAN, CHAIRMAN
DAVID PORTER, COMMISSIONER
CHRISTI CRADDICK, COMMISSIONER



GIL BUJANO, P.E.
DIRECTOR, O&G DIVISION

1701 N. CONGRESS

CAPITOL STATION - P.O. BOX 12967 AUSTIN, TEXAS 78711-2967

09/27/2013

FORM P-4 NOTIFICATION (OIL LEASE)

OPERATOR

PECOS OPERATING COMPANY, LLC
125 W MISSOURI AVE SUITE 450
MIDLAND TX 79701

RECEIVED
OCT 03 2013

BY: _____

* * * * *
THE FOLLOWING RRC FORM P-4 "PRODUCER'S CERTIFICATE OF COMPLIANCE AND
AUTHORIZATION TO TRANSPORT OIL AND/OR CASINGHEAD GAS FROM AN OIL LEASE
OR GAS AND/OR CONDENSATE FROM A GAS WELL" FILED BY:

PECOS OPERATING COMPANY, LLC P-5 NO. 649245
125 W MISSOURI AVE SUITE 450 PHONE: (432)620-8480
MIDLAND TX 79701

HAS BEEN APPROVED ON SEPTEMBER 27, 2013.

* * * * *

DISTRICT : 08 FIELD NAME: FUHRMAN-MASCHO
COUNTY : ANDREWS FIELD NO. : 33176 001
EFF. DATE: 09/01/2013 LEASE NAME: GOLDSMITH, N. SAN ANDRES CONS. U
LEASE NO : 43141

FOR THE PURPOSE OF: OIL FIELD TRANSFER

NAMED ON THE P-4:

TYPE	NAME	CODE	PRODUCT	% OF TAKE
GATHERER	HOLLYFRONTIER REF & MKTG LLC	HOLLF	OIL	100.000
GATHERER	DCP MIDSTREAM, LP	DCPMI	CAS	100.000
PURCHASER	DCP MIDSTREAM, LP	195918	CAS	100.000
	SYSTEM: 0001 DCP MIDSTREAM, LP			

PLEASE NOTIFY THE AUSTIN OFFICE OF THE RAILROAD COMMISSION IF ANY OF THE
ABOVE INFORMATION IS NOT CORRECT.

APPROVED BY
GIL BUJANO, P.E.
DIRECTOR, O&G DIVISION
OIL AND GAS DIVISION

CC: RRC-08, AND ALL NAMED PARTIES

**CERTIFICATE OF COMPLIANCE
 AND TRANSPORTATION AUTHORITY**

P-4

5/02
 DBC0702

READ INSTRUCTIONS ON BACK

1. Field name exactly as shown on proration schedule Fuhrman-Mascho		2. Lease name as shown on proration schedule Goldsmith, N. San Andres Cons. U				
3. Current operator name exactly as shown on P-5 Organization Report Pecos Operating Company, LLC		4. Operator P-5 no. 649245	5. Oil Lse/Gas ID no. 43141	6. County Andrews	7. RRC district 08	
8. Operator address including city, state, and zip code 125 W. Missouri Suite 450 Midland, TX 79701		9. Well no(s) (see instruction E) All Wells				
10. Classification <input checked="" type="checkbox"/> Oil <input type="checkbox"/> Gas <input type="checkbox"/> Other (see instruction A)				11. Effective Date 9/1/2013		
12. Purpose of Filing. (Complete section a or b below.) (See instruction B and G)						
a. Change of: <input type="checkbox"/> operator <input type="checkbox"/> oil or condensate gatherer <input type="checkbox"/> gas gatherer <input type="checkbox"/> gas purchaser <input type="checkbox"/> gas purchaser system code						
<input checked="" type="checkbox"/> field name from: Martin (Consolidated)						
OR <input type="checkbox"/> lease name from: _____						
b. New RRC Number for: <input type="checkbox"/> oil lease <input type="checkbox"/> gas well <input type="checkbox"/> other well (specify) _____						
Due to: <input type="checkbox"/> new completion or recompletion <input type="checkbox"/> reclass oil to gas <input type="checkbox"/> reclass gas to oil <input type="checkbox"/> consolidation, unitization, or subdivision (oil lease only)						

13. Authorized GAS WELL, GAS or CASINGHEAD GAS Gatherers and/or Purchaser(s). (See instruction G).

Gatherer	Purchaser	Name of GAS WELL GAS or CASINGHEAD GAS Gatherer(s) or Purchaser(s) As Indicated in Columns to the Left (Attach an additional sheet in same format if more space is needed)	Purchaser's RRC Assigned System Code	Percent of Take	Full-well stream
X	X	DCP Midstream LP (195918)	0001	100%	

14. Authorized OIL or CONDENSATE Gatherer(s). (See instruction G).

Name of OIL or CONDENSATE Gatherer(s) - List Highest Volume Gatherer First (Attach an additional sheet in same format if more space is needed)	Percent of Take	RRC USE ONLY	
HollyFrontier Ref & Mktg LLC (393768)	100%	Reviewer's initials: _____	RECEIVED RRC OF TEXAS Approval date: _____ SEP 26 2013 OIL & GAS DIVISION AUSTIN, TEXAS

15. PREVIOUS OPERATOR CERTIFICATION FOR CHANGE OF OPERATOR P-4 FILING. Being the PREVIOUS OPERATOR, I certify that operating responsibility for the well(s) designated in this filing, located on the subject lease has been transferred in its entirety to the above named Current Operator. I understand, as Previous Operator, that designation of the above named operator as Current Operator is not effective until this certificate is approved by the Commission.

Name of Previous Operator	Signature
Name (print)	<input type="checkbox"/> Authorized Employee of previous operator <input type="checkbox"/> Authorized agent of previous operator (see instruction G)
Title	Date
	Phone with area code

16. CURRENT OPERATOR CERTIFICATION. By signing this certificate as the Current Operator, I certify that all statements on this form are true and correct and I acknowledge responsibility for the regulatory compliance of the subject lease including plugging of well(s) pursuant to Rule 14. I further acknowledge that I assume responsibility for the physical operation, control, and proper plugging of each well designated in this filing. I also acknowledge that I will remain designated as the Current Operator until a new certificate designating a new Current Operator is approved by the Commission.

Name (print) Anna M. Schelling	Signature <i>A M Schell</i>
Regulatory Agent	<input type="checkbox"/> Authorized Employee of current operator <input checked="" type="checkbox"/> Authorized agent of current operator (see instruction G)
Title	Date 09/25/2013
E-mail Address (optional)	Phone with area code (432)818-1312



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

September 24, 2013

RECEIVED
SEP 27 2013

BY: _____

PECOS OPERATING COMPANY, LLC
125 W MISSOURI AVENUE SUITE 450
MIDLAND TX 79701

H PHILLIP WHITWORTH
SCOTT DOUGLASS & MCCONNICO
600 CONGRESS AVENUE STE 1500
AUSTIN TX 78701-2589

RE: **OIL AND GAS DOCKET NO. 08-0282700**; THE APPLICATION OF PECOS OPERATING COMPANY, L.L.C. TO TRANSFER WELLS FROM THE MARTIN (CONSOLIDATED) FIELD TO THE FUHRMAN-MASCHO FIELD, ANDREWS COUNTY, TEXAS; **FINAL ORDER**

To the Parties:

Enclosed for your review please find a copy of the Final Order, and HD Unprotested Master Order signed on September 24, 2013, transferring wells for the above referenced field.

Please contact the appropriate compliance analyst in the Austin office to determine whether new filings will be required in conjunction with this Final Order.

Sincerely,

A handwritten signature in cursive script that reads "Paul Dubois".

Paul Dubois
Technical Examiner

PDD/tib

Enclosures

cc: SERVICE LIST
MIDLAND DISTRICT OFFICE - 08
LORENZO GARZA - RRC, AUSTIN
JOE STASULLI - RRC, AUSTIN
SCOTT ROSENQUIST - RRC, AUSTIN

SERVICE LIST

PECOS OPERATING COMPANY LLC
125 W MISSOURI AVE STE 450
MIDLAND TX 79701

BROWN, H.L. OPERATING, L.L.C.
POST OFFICE BOX 2237
MIDLAND TX 79702

BURLESON PETROLEUM, INC.
POST OFFICE BOX 2479
MIDLAND TX 79702

BVX OPERATING, INC.
306 WEST WALL STREET SUITE 1330
MIDLAND TX 79701-5118

CONOCOPHILLIPS COMPANY
ATTN AMY LASCHE 3WL 15006
POST OFFICE BOX 2197
HOUSTON TX 77252-2197

DISCOVERY OPERATING, INC.
800 N MARIENFELD STE 100
MIDLAND TX 79701

ENDEAVOR ENERGY RESOURCES L.P.
110 N MARIENFELD STREET SUITE 200
MIDLAND TX 79701

ENERGEN RESOURCES CORPORATION
3300 NORTH A ST BLDG 4 STE 100
MIDLAND TX 79705

JM COX RESOURCES, L.P.
BOX 2217
MIDLAND TX 79702

JONES, CHARLES E., JR.
BOX 765
ODESSA TX 79760

LEGACY RESERVES OPERATING LP
POST OFFICE BOX 10848
MIDLAND TX 79702

LIME ROCK RESOURCES II-A, L.P.
1111 BAGBY STREET SUITE 4600
HOUSTON TX 77002

OXY USA INC.
% KAREN SINARD 20TH FLOOR
POST OFFICE BOX 4294
HOUSTON TX 77210-4294

PENNANT DEV. AND PROD., LLC
200 NORTH LORAIN STE 1500
MIDLAND TX 79701

PETROPLEX EQUIPMENT, INC.
POST OFFICE BOX 10981
MIDLAND TX 79701

REDCO OIL & GAS, INC.
POST OFFICE BOX 1614
ANDREWS TX 79714

SABER OIL & GAS VENTURES, LLC
400W ILLINOIS STE 950
MIDLAND TX 79701

SAGA PETROLEUM LLC OF COLORADO
200 NORTH LORAIN STE 1300
MIDLAND TX 79701

SANDRIDGE EXPL. AND PROD., LLC
123 ROBERT S KERR AVENUE
OKLAHOMA CITY OK 73102-6406

SCHLACHTER OPERATING CORPORATION
POST OFFICE BOX 12849
DALLAS TX 75225-0849

SHERIDAN PRODUCTION COMPANY, LLC
9 GREENWAY PLAZA STE 1300
HOUSTON TX 77046

SIMATA ENERGY
POST OFFICE BOX 8303
MIDLAND TX 79708

SPINDLETOP OIL & GAS COMPANY
ONE SPINDLETOP CENTRE STE 200
12850 SPURLING ROAD
DALLAS TX 75230

STOUT ENERGY INC.
POST OFFICE BOX 7434
MIDLAND TX 79708-7434

SUNRAY ENERGY, INC.
POST OFFICE BOX 277
ANDREWS TX 79714

TRIAG ENERGY OPERATING, INC.
214 W TEXAS AVENUE STE 304
MIDLAND TX 79701

UNITEX OIL & GAS, L.L.C.
310 W WALL SUITE 503
MIDLAND TX 79701

WHITING OIL AND GAS CORPORATION
400 W ILLINOIS STE 1300
MIDLAND TX 79701

WTG EXPLORATION
401 W WADLEY AVENUE
MIDLAND TX 79705-5339

XTO ENERGY INC.
ATTN JAMES L DEATH
810 HOUSTON STREET
FORT WORTH TX 76102

H PHILIP WHITWORTH
SCOTT DOUGLASS & MCCONNICO
600 CONGRESS AVENUE SUITE 1500
AUSTIN TX 78701-2589

SCOTT ROSENQUIST
ENGINEERING STAFF
RRC - AUSTIN

LORENZO GARZA
DRILLING PERMITS MGR
RRC-AUSTIN

JOE STASULLI
WELL COMPLIANCE MANAGER
RRC - AUSTIN

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 08-0282700**

**IN THE MARTIN (CONSOLIDATED) AND
FUHRMAN-MASCHO FIELDS, ANDREWS
COUNTY, TEXAS**

**FINAL ORDER
APPROVING TRANSFER OF GOLDSMITH NORTH, SAN ANDRES CONSOLIDATED
UNIT (GNSAU) WELLS FROM THE MARTIN (CONSOLIDATED) FIELD
TO THE FURHMAN-MASCHO FIELD
ANDREWS COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on August 1, 2013, the presiding 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 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 review and due consideration of the examiners' report and recommendation, the findings of fact and conclusions of law contained therein, hereby adopts as its own the findings of fact and conclusions of law contained therein, 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 drilled and permitted wells operated by Pecos Operating Company, L.L.C., in the Goldsmith North, San Andres Consolidated Unit (Lease No. 40071) are hereby transferred from the Martin (Consolidated) Field (Field ID 57774 275) to the Fuhrman-Mascho Field (Field ID 33176 001). The operator is required to file Commission Form P-4, 'Producer's Transportation Authority and Certificate of Compliance', for all affected wells and leases. The Commission also waives any fees associated with such transfer, including drilling permit fees.

Done this 24th day of September, 2013.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotested Master
Order dated September 24, 2013)**

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

HEARINGS DIVISIONS' UNPROTESTED MASTER ORDER

SEPTEMBER 24, 2013

At a public conference held at its offices in Austin, Texas, the Commission finds that after statutory notice, the below referenced proceedings were heard by the examiners and that no party appeared in protest to the requested relief. The Final Orders for each of the below referenced dockets are incorporated by reference into this order, and by signing this Master Order, the Commission approves each of the Final Orders and adopts the provisions contained therein.

ITEM NO.	DOCKET NO.	APPLICANT	LEASE, WELL, OR SITE	ORDER TERMS
	<u>Field Rules</u>			
18	10-0283059 (Andres J. Trevino and Michael Crnich)	Apache Corporation	Paint Ridge (Canyon Granite Wash) Field, Oldham County, Texas	Adopt Field Rules
	<u>Field Consolidation and Field Rules</u>			
19	04-0283388 (Andres J. Trevino and Terry Johnson)	Oxy USA, Inc.	McAllen-Pharr (Consolidated) Field, Andrews County, Texas	Approve Field Consolidation and Field Rules
	<u>Transfer Wells</u>			
20	08-0282700 (Paul Dubois and Marshall Enquist)	Pecos Operating Company, L.L.C.	Fuhrman-Mascho Field, Hidalgo County, Texas	Transfer the Drilled and Permitted Wells
	<u>Motion for Rehearing</u>			
21	20-0283578 (Terry Johnson)	B.W.O.C., Inc. (041864)	N/A	Grant Motion for Rehearing
22	20-0283581 (Terry Johnson)	Borderline Operating Corp. (082999)	N/A	Grant Joint Motion for Rehearing
23	20-0283591 (Terry Johnson)	Ellsworth, H. P. O&G Properties (249867)	N/A	Grant Motion for Rehearing

**HEARINGS DIVISIONS' UNPROTESTED MASTER ORDER
 SEPTEMBER 24, 2013 CONFERENCE
 PAGE 2**

ITEM NO.	DOCKET NO.	APPLICANT	LEASE, WELL, OR SITE	ORDER TERMS
	<u>Motion for Rehearing (Continued)</u>			
24	20-0283594 (Terry Johnson)	Flag Energy, L.L.C. (271582)	N/A	Grant Joint Motion for Rehearing
25	20-0283597 (Terry Johnson)	Gerry-Mac Oil, Inc. (302025)	N/A	Grant Joint Motion for Rehearing
26	20-0283599 (Terry Johnson)	Hardy Ranch, Inc. (356799)	N/A	Grant Joint Motion for Rehearing
27	20-0283613 (Terry Johnson)	Roger W. McCabe, Inc. (724671)	N/A	Grant Joint Motion for Rehearing
28	20-0283617 (Terry Johnson)	Scully Exploration LLC (760540)	N/A	Grant Motion for Rehearing
29	20-0283623 (Terry Johnson)	Van Energy Operators L.L.C. (881630)	N/A	Grant Joint Motion for Rehearing

**HEARINGS DIVISIONS' UNPROTESTED MASTER ORDER
SEPTEMBER 24, 2013 CONFERENCE
PAGE 3**


IT IS ORDERED that each referenced Final Order shall become effective when this Order is signed and that a copy of this Order shall be affixed to each Final Order.

Done in Austin, Texas on September 24, 2013.

RAILROAD COMMISSION OF TEXAS



CHAIRMAN BARRY T. SMITHERMAN



COMMISSIONER DAVID PORTER



COMMISSIONER CHRISTI CRADDICK

ATTEST:




SECRETARY

(PECOS VALLEY (FUSSELMAN #2) FIELD - Cont'd.)

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 one hundred sixty (160) acre proration unit.

In applying this rule the general order of the Commission with relation to the subdivision of property shall be observed.

RULE 2. The acreage assigned to the individual oil well for the purpose of allocating allowable oil production thereto shall be known as a proration unit. No proration unit shall consist of more than one hundred sixty (160) acres except as hereinafter provided, and the two farthestmost points in any proration unit shall not be in excess of forty five hundred (4500) feet removed from each other; provided, however, that in the case of long and narrow leases or in cases where because of the shape of the lease such is necessary to permit the utilization of tolerance acreage the Commission may after proper showing grant exceptions to the limitations as to the shape of proration units as herein contained. All proration units, however, shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of oil.

If after the drilling of the last well on any lease and the assignment of acreage to each well thereon in accordance with the regulations of the Commission there remains an additional unassigned lease acreage of less than one hundred sixty (160) acres, then and in such event the remaining unassigned lease acreage up to and including a total of forty (40) acres may be assigned to the last well drilled on such lease or may be distributed among any group of wells located thereon so long as the proration units resulting from the inclusion of such additional acreage meets the limitations prescribed by the Commission.

Operators shall file with the Commission certified plats of their properties in said field, which plats shall set out distinctly all of those things pertinent to the determination of the acreage credit claimed for each well; provided that if the acreage assigned to any proration unit 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.

RULE 3. The daily total field oil allowable, as fixed by the Commission after deductions have been made for marginal wells, high gas-oil ratio wells and wells which are incapable of producing their allowables as determined hereby, shall be distributed among the wells producing in the field capable of making their allowables in that proportion that the acreage assigned to each well bears to the sum of the acreage assigned to all of the wells in the field.

IT IS FURTHER ORDERED That this cause be held open on the docket for such other and further orders as may be necessary.

FUHRMAN-MASCHO FIELD
Andrews County, Texas

Special Order No. 8-65,109, Rescinding Rules Previously Adopted and Adopting Revised Operating Rules for the Fuhrman-Mascho Field, Andrews County, Texas, Effective June 23, 1975, as Amended by Orders Effective August 1, 1987, January 7, 1997, September 7, 2005, November 6, 2007, June 24, 2008, and October 20, 2008.

Order No. 8-65,109 rescinds:

Order No. 8-7637, effective September 25, 1944, combining the Fuhrman and Mascho Fields and adopting rules for the Fuhrman-Mascho Field;

Order No. 8-9359, effective July 29, 1946, Order No. 8-34,807, January 1, 1957, Order No. 8-43,812, effective June 27, 1960, and Order No. 8-55,840, effective December 27, 1965, amending rules.

Order No. 8-34,807, effective January 1, 1957, combined the Fuhrman-Mascho (4270' San Andres), Fuhrman-Mascho (Grayburg-San Andres), Fuhrman-Mascho (Grayburg Reservoir) Fields, the Plateau and Weaver Areas of Fuhrman-Mascho Field and Nix (4400' Dolomite) Field into the Fuhrman-Mascho Field.

ORDER

Following notice and hearing this application was duly considered by the assigned Examiner who has filed a Proposal for Decision containing his findings of fact and conclusions of law, and said Proposal for Decision is incorporated herein and made a part of this order.

We are of the opinion that the current rules are inadequate for the above referenced reservoir and should be revised.

(FUHRMAN-MASCHO FIELD - Cont'd.)

Accordingly it is ordered that effective June 23, 1975, the following rules are adopted to govern the drilling, completion and production of wells in the Fuhrman-Mascho Field, and that all previously adopted rules in conflict herewith are hereby rescinded.

RULE 1. (As Amended by Order Nos. 08-0214381, 08-0214391, and 08-0214392, Effective January 7, 1997, and Order No. 08-0253252, Effective November 6, 2007.) The designated correlative interval consists of: Grayburg Reservoir interval from 3,990 feet to 4,302 feet and the San Andres Reservoir interval from 4,302 feet to 5,456 feet as shown on the Laterlog of the Magnolia Petroleum Company's Leta Jones Lease, Well No.3, Section 11, Block A-42, PSL Survey, Andrews County, Texas.

RULE 2. (As Amended by Order No. 08-0243602, Effective September 7, 2005, and Amended and Renumbered (Formerly Rule 1) by Order No. 08-0253252, Effective November 6, 2007.) No well for oil shall hereafter be drilled nearer than three hundred and thirty (330) feet to any property line, lease line or subdivision line and there shall be no 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 these 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. (As Amended and Renumbered (Formerly Rule 2) by Order No. 08-0253252, Effective November 6, 2007, and Amended by Order No. 08-0258732, Effective October 20, 2008.) The acreage assigned to the individual oil well shall be known as a proration unit. The standard drilling and proration units are established hereby to be forty (40) acres. No proration unit shall consist of more than forty (40) acres except as hereinafter provided. If after the drilling of the last well on any lease there remains an additional unassigned acreage of less than forty (40) acres, then and in such event the remaining unassigned acreage up to and including a total of twenty (20) acres may be assigned as tolerance acreage to the last well drilled on such lease. An operator, at his option, shall be permitted to form optional drilling units of five (5) acres. No proration unit plats are required.

RULE 4. (Rescinded by Order No. 8-87,886, Effective August 1, 1987.) Casing and Multi-Stage Cementing Rule.

RULE 4. (As Amended and Renumbered (Formerly Rule 3) by Order No. 08-0253252, Effective November 6, 2007, and Amended by Order No. 08-0256755, Effective June 24, 2008.) The field is classified as salvage with no restriction on oil or casinghead gas.

RULE 5. (As Amended by Order No. 08-0253252, Effective November 6, 2007, and Rescinded by Order No. 08-0256755, Effective June 24, 2008.) Permitted Gas-Oil Ratio.

It is further ordered that all accumulated overproduction in the Fuhrman-Mascho Field is cancelled.