

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

**OIL AND GAS DOCKET
NO. 10-0245687**

**IN THE PANHANDLE, WEST (RED
CAVE) FIELD, MOORE AND POTTER
COUNTIES, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF
PIONEER NATURAL RESOURCES USA, INC.
FOR EXCEPTION TO STATEWIDE RULE 39
TO ALLOW NON-CONTIGUOUS ACREAGE WITHIN ITS MASTERSON LEASE
IN THE PANHANDLE, WEST (RED CAVE) FIELD
MOORE AND POTTER COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on August 24, 2006, the presiding examiner has 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 examiner's 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 application of Pioneer Natural Resources USA, Inc. for exception to Statewide Rule 39 to allow non-contiguous acreage assignments to wells within its Masterson Lease, with the exception of Sections 72, 73, 74 and 76 of said lease, in the Panhandle, West (Red Cave) Field, Moore and Potter Counties, Texas, be and it is hereby approved. There shall be no diagonal requirement for non-contiguous acreage proration and drilling units. There shall be assigned a minimum of **THREE HUNDRED TWENTY (320)** continuous and contiguous acres around each non-contiguous acreage well and this **THREE HUNDRED TWENTY (320)** acres will be subject to a maximum diagonal of **SIX THOUSAND FIVE HUNDRED (6500)** feet. The **THREE HUNDRED TWENTY (320)** non-contiguous acres assigned to a non-contiguous acreage well will also be subject to a maximum diagonal of **SIX THOUSAND FIVE HUNDRED (6500)** feet. The non-contiguous unit will be subject to the tolerance rule of the field rules.

Done this twelfth day of September, 2006.

**RAILROAD COMMISSION OF TEXAS
(Order approved and signatures affixed by
OGC Unprotested Master Order dated
September 12, 2006.)**