

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

**OIL AND GAS DOCKET  
NO. 8A-0260199**

**IN THE ILLUSION LAKE (SAN  
ANDRES) FIELD, LAMB COUNTY,  
TEXAS**

**FINAL ORDER  
AMENDING FIELD RULES FOR THE  
ILLUSION LAKE (SAN ANDRES) FIELD  
AND APPROVING ENTITY FOR DENSITY AUTHORITY  
LAMB COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on January 9, 2009, 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 Rule 3 of the field rules for the Illusion Lake (San Andres) Field, Lamb County, Texas, adopted in Final Order No. 8A-0256753, effective June 10, 2008, is amended as hereafter set out:

**RULE 3:** The acreage assigned to the individual oil well for the purpose of allocating allowable oil production thereto 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. The two farthestmost points in any proration unit shall not be in excess of TWO THOUSAND ONE HUNDRED (2,100) 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 shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of oil. No double assignment of acreage will be accepted.

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 acreage of less than FORTY (40) acres, then and in such event the

remaining unassigned acreage up to and including a total of TEN (10) acres may be assigned as tolerance acreage 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 meet the limitations prescribed by the Commission.

An operator, at his option, shall be permitted to form optional drilling and fractional proration units of TWENTY (20) acres, with a proportional acreage allowable credit for a well on fractional proration units. The two farthestmost points of a TWENTY (20) acre fractional proration unit shall not be greater than ONE THOUSAND FIVE HUNDRED (1,500) feet removed from each other.

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.

It is further ordered by the Railroad Commission of Texas that Tommy Swanson Oil Company, Inc. is granted exception to the density and spacing rules of the Illusion Lake (San Andres) Field for its Young lease (10649), subject to the following terms and conditions:

1. The unit's density will not exceed that authorized by applicable field rules, within the limits of the lease.
2. That no well under the provisions of this order will be drilled closer than the applicable lease/unit line spacing rule without first having given at least 10 days notice to offset operators and after public hearing, if protest to such proposed location is filed with the Commission.
3. That all applications to drill wells (Form W-1) under the authority of this order be submitted to the Rule 37 Department for approval.

Done this 10<sup>th</sup> day of February 2009.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotested Master Order dated  
February 10, 2009)**