

**BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA**

|                    |                                  |   |                                |
|--------------------|----------------------------------|---|--------------------------------|
| APPLICANT:         | EQUAL ENERGY US INC.             | ) |                                |
|                    |                                  | ) |                                |
| RELIEF SOUGHT:     | DRILLING AND SPACING UNITS –     | ) | CAUSE CD NO. 201302005         |
|                    | PARK CITY #1-32H                 | ) |                                |
|                    |                                  | ) |                                |
| LEGAL DESCRIPTION: | SECTION 32,                      | ) |                                |
|                    | TOWNSHIP 14 NORTH, RANGE 5 EAST, | ) |                                |
|                    | LINCOLN COUNTY, OKLAHOMA         | ) | ORDER NO. <b><u>610820</u></b> |

**ORDER OF THE COMMISSION**

1. Hearing Date and Place: 8:30 a.m. on the 15<sup>th</sup> day of April, 2013, Jim Thorpe Building, Oklahoma City, Oklahoma.

2. Appearances: RICHARD J. GORE, Attorney, appeared for Applicant.

3. Notice and Jurisdiction: Notice has been given as required and the Commission has jurisdiction of the subject and persons. That the Commission has conducted a judicial inquiry into the sufficiency of Applicant's search to determine the names and whereabouts of the respondents who were served herein by publication, and based on the evidence adduced, the Commission finds that the Applicant has exercised due diligence and has conducted a meaningful search of all reasonably available sources at hand. The Commission approves the publication service given herein as meeting statutory requirements and the minimum standards of state and federal due process so that notice has been given in all respects as required by law and by the rules of the Commission.

4. Amendment: None.

5. Relief Requested:

5.1 Amendment of Previous Orders.

5.1.a. Amendment of Order No. 317860 dated October 14, 1987, which order established 160-acre drilling and spacing units for the production of gas from the Hunton common source of supply underlying the NE/4 of Section 32, Township 14 North, Range 5 East, Lincoln County, Oklahoma, to delete therefrom said common source of supply.

5.1.b. Amendment of Order No. 436778 dated November 18, 1999, which order established 160-acre drilling and spacing units for the production of gas from the Hunton common source of supply underlying the SE/4 of Section 32, Township 14 North, Range 5 East, Lincoln County, Oklahoma, to delete therefrom said common source of supply.

5.2. Extension of Previous Orders.

5.2.a. That Order No. 605722 dated December 19, 2012, which established a 640-acre drilling and spacing unit for the production of gas and gas condensate from the Hunton common source of supply underlying Section 29, Township 14 North, Range 5 East, Lincoln County, Oklahoma, be extended to include **Section 32, Township 14 North, Range 5 East, Lincoln County, Oklahoma:**

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| <u>Common Source of Supply</u> | <u>Depth</u> | <u>Classification</u> | <u>Unit Size</u> | <u>Order No.</u> |
|--------------------------------|--------------|-----------------------|------------------|------------------|
| Hunton                         | 4,675'       | G&GC                  | 640 acres        | 605722           |

5.3 New Spacing Requested: None.

6. Reason for Relief: There has been a change of condition or change in knowledge of conditions since the late 1990's to early 2000's, after which Hunton dewatering was developed which resulted in the ability to drain substantially all of a 640-acre area with multiple horizontal laterals.

7. Relief Granted: The requested relief is granted; further:

7.1 That all royalty interests within each drilling and spacing unit are pooled and unitized and each royalty owner shall share in the production from any well thereon in the proportion that the acreage owned by each such royalty owner bears to the entire acreage in the drilling and spacing unit.

7.2 That when there are two or more separately owned tracts or undivided interests separately owned within any drilling and spacing unit established hereby, the owners thereof may validly pool their interests and develop the drilling and spacing unit as a unit; that where, however, such owners have not agreed to so pool their interests and to develop the drilling and spacing unit as a unit, their rights and equities shall be pooled and adjudicated as provided in sub-section e, Section 87.1, Title 52, O.S.

7.3 That no more than one well shall hereafter be produced from the common sources of supply named above on any drilling and spacing unit established hereby, and the permitted well on any drilling and spacing unit established hereby shall be drilled only at the location thereon as prescribed below, unless the Commission, prior to the drilling of said well, shall have authorized a well location exception therefor in accordance with Section 87.1, Title 52, O.S.

8. Size and Shape of Unit: The 640-acre unit established hereby shall consist of:

Section 32, Township 14 North, Range 5 East, Lincoln County, Oklahoma.


9. Location of Unit Wells: The unit wells for the 640-acre unit established hereby shall be located as follows:

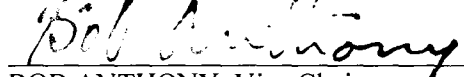
No closer than 1,320 feet to the boundary of said section.

10. Map Attached: Attached to this order is a plat indicating the information required by statute.

11. Conclusion: The relief requested is necessary to prevent waste or to assist in preventing the various types of waste of oil or gas prohibited by statute, or any of said wastes, and to protect or assist in protecting the correlative rights of interested parties. Such requested relief, as set forth above, should be granted and IT IS SO ORDERED.

CORPORATION COMMISSION OF OKLAHOMA

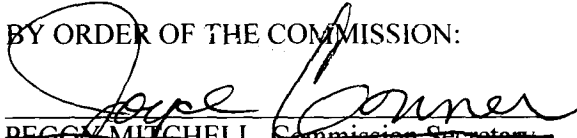
  
PATRICE DOUGLAS, Chairman

  
BOB ANTHONY, Vice Chairman


  
DANA L. MURPHY, Commissioner

DONE AND PERFORMED this 25 day of April, 2013.

BY ORDER OF THE COMMISSION:


  
~~PEGGY MITCHELL, Commission Secretary~~  
JOYCE CONNER, Assistant Secretary

APPROVED AS TO FORM AND CONTENT:

  
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ATTORNEYS FOR APPLICANT

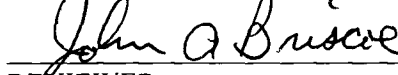
REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing Findings and Order are the Report and Recommendation of the Administrative Law Judge.

  
MICHAEL PORTER,  
Administrative Law Judge

Date

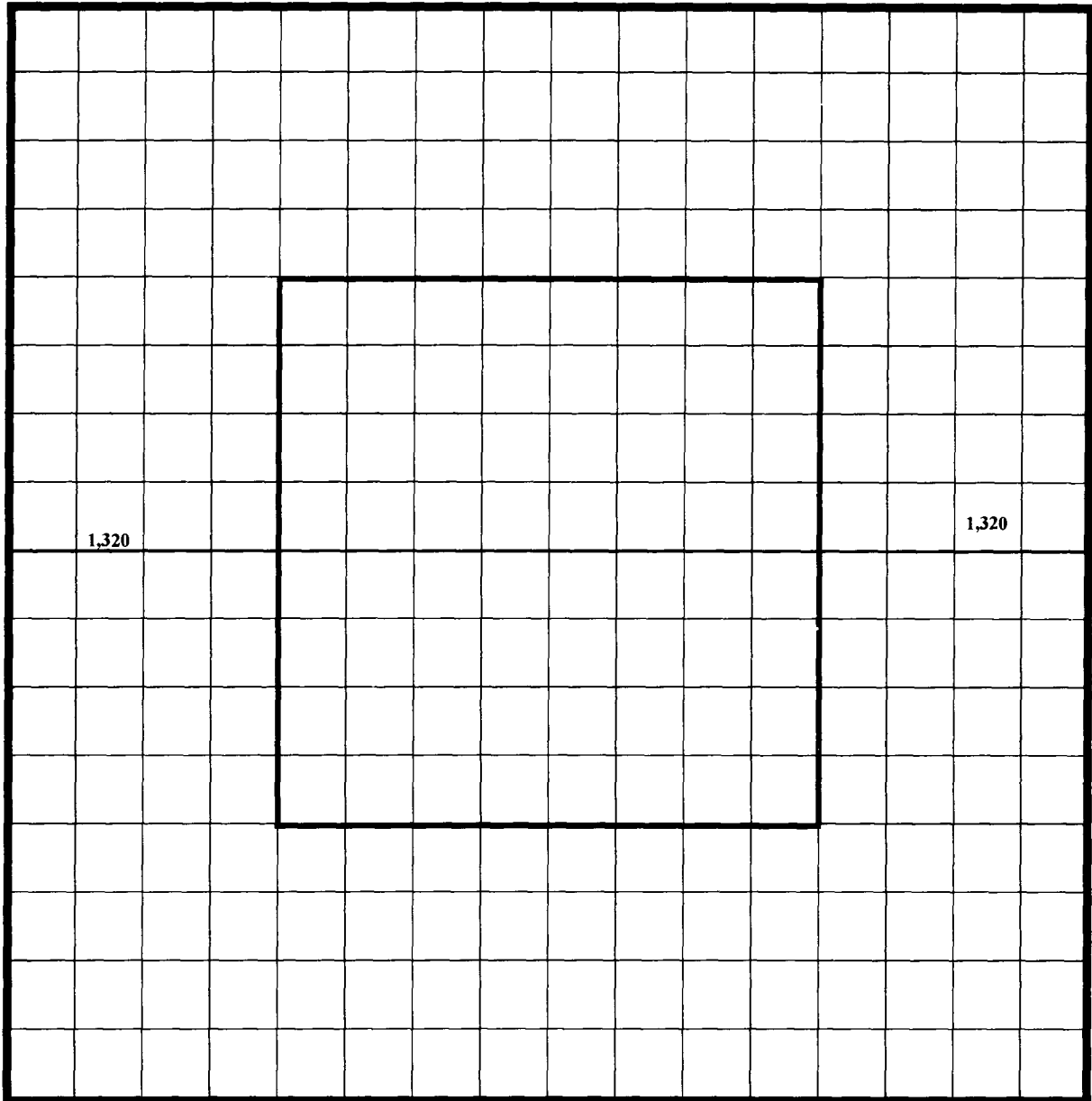
22 April 2013

  
REVIEWER

04-22-2013

**EXHIBIT "A"**

**Section 32, Township 14 North, Range 5 East**



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CAUSE CD NO. 201302005

640-acre well unit for the production of gas and gas condensate from the Hunton common source of supply underlying **Section 32, Township 14 North, Range 5 East, Lincoln County, Oklahoma**, with the unit consisting of said governmental section and the permitted well to be located not less than 1,320 feet from the unit boundary.