

Page  
3/2/20

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: CAMINO NATURAL RESOURCES, LLC	)	
	)	Cause CD No. 201905753
RELIEF SOUGHT:                    SPACING	)	
	)	
LEGAL DESCRIPTION:            Section 28,	)	
	)	
	)	
	)	
	)	
	)	<b>709621</b>
	)	Order No. _____

**ORDER OF THE COMMISSION**  
**Findings and Order**

1. **Administrative Law Judge.**  
**Hearing Date and Place:**                    This cause came on for hearing before Kendal Huber, Administrative Law Judge for the Corporation Commission of Oklahoma, on February 24, 2020, in the assigned Administrative Law Judge's courtroom, Jim Thorpe Building, Oklahoma City, Oklahoma.
  
2. **Appearances:**                                    John R. Reeves, attorney, appeared for Applicant, Camino Natural Resources, LLC; and Benjamin J. Brown, attorney, appeared for TPR Mid-Continent, LLC. The protest to this cause was resolved.
  
3. **Companion Causes:**                            None
  
4. **Notice and Jurisdiction:**                    The Commission has jurisdiction of the subject matter herein and of the persons interested therein and has jurisdiction to enter this order as hereinafter set forth. Notice of the filing of the application herein and of the time, date and place of the hearing thereon was duly and properly given in all respects as required by law and the rules of the Commission. The Administrative Law Judge conducted a judicial and adjudicative inquiry into the sufficiency of Applicant's search to determine the name and whereabouts of any respondent who was served by publication and based upon the evidence adduced, the Commission finds that Applicant has exercised due diligence and has conducted a meaningful search of all reasonably available sources at hand. The Commission hereby approves the service of notice, including the publication service, given in this cause as meeting the statutory requirements, rules of the Commission and minimum standards of state and federal due process, and finds that notice has been given in all respects as required by law and the rules of the Commission.
  
5. **Amendments:**                                    At the hearing herein, the application in this cause was not amended.
  
6. **Relief Requested and Granted:**
  - 6.1 Applicant requests the Corporation Commission of Oklahoma to enter an order granting the relief set forth below.
  
  - 6.2 **Existing Spacing.** By **Order No. 107705**, dated September 20, 1974, the Commission formed **640-acre non-horizontal drilling and spacing units** in **Section 28** Township 10 North, Range 7 West of the IM, Grady

County, Oklahoma, for the **Chester** and **Mississippi Lime** separate common sources of supply.

6.3 **Adjoining Spacing**. By Order No. 669323, the Commission formed the boundaries of and 640-acre horizontal well units for the **Mississippian** and **Woodford** separate common sources of supply in lands adjoining or cornering said Section 28.

6.4 The relief requested in this cause is hereby granted as follows:

(i) **Order No. 107705** is hereby amended so that Section 28, Township 10 North, Range 7 West of the IM, Grady County, Oklahoma, is deleted from the purview and boundaries of the Chester and Mississippi Lime separate common sources of supply as covered by such order and the 640-acre non-horizontal drilling and spacing units previously formed by such order for such separate common sources of supply in said Section 28 are vacated;

(ii) The boundaries of the **Mississippian** and **Woodford** separate common sources of supply of gas are hereby enlarged and extended to cover and include **Section 28, Township 10 North, Range 7 West of the IM, Grady County, Oklahoma**, and **640-acre horizontal well units** are hereby formed in the above-described section for the above-named separate common sources of supply of gas, by amending the order set forth in paragraph 6.3, above, with the tops of such separate common sources of supply being located in such section at the following set out approximate average depths:

<u>Common Source of Supply</u>	<u>Classification</u>	<u>Depth</u>	<u>Unit Size - Acres</u>
<b>Mississippian</b>	Gas	10,600 feet	640-acre horizontal well unit
<b>Woodford</b>	Gas	11,270 feet	640-acre horizontal well unit

7. **Permitted Well Location Tolerances**: 7.1 The **640-acre horizontal well unit** formed for the **Mississippian** common source of supply, as described in subparagraph (ii) of paragraph 6.4, above, is hereby formed on the basis of said governmental Section 28, and the completion interval of any horizontal well hereafter drilled in such 640-acre horizontal well unit shall be located **not less than 660 feet** from any boundary of such governmental section.

7.2 The **640-acre horizontal well unit** formed for the **Woodford** common source of supply, as described in subparagraph (ii) of paragraph 6.4, above, is hereby formed on the basis of said governmental Section 28, and the completion interval of any horizontal well hereafter drilled in such 640-acre horizontal well unit shall be located **not less than 165 feet** from the north line and from

Order

Applicant: Camino Natural Resources, LLC

Cause CD No. 201905753

the south line of such governmental section and **not less than 330 feet** from the east line and from the west line of such governmental section.

8. Pooling Authorization: In the event there are divided or undivided interests in any unit formed by this order and the owners thereof are unable to agree upon the development of such unit, or have not agreed to pool their interests, the Commission shall adjudicate the rights and equities of such owners as provided by 52 O.S. § 87.1 and require such owners to pool and develop their interests as a unit.
  
9. Map Attached: Attached hereto as Exhibit "A" and made a part hereof are maps showing the outside boundaries of the surface area covered hereby, the size, form and shape of the units formed by this order and the permitted well location tolerances for such units.
  
10. Reasons for Relief Granted:
  - 10.1 The evidence presented shows that Applicant is the owner of the right to drill a well into, to produce hydrocarbons from and to appropriate production from the separate common sources of supply involved herein in the lands covered hereby.
  
  - 10.2 Since the date of entry of **Order No. 107705**, additional or new data has been obtained which constitutes a substantial change in conditions or change in knowledge of conditions existing in connection with the **Chester and Mississippi Lime** separate common sources of supply which shows that Order No. 107705 should be amended **so as to delete said Section 28** from the purview and boundaries of the Chester and Mississippi Lime separate common sources of supply as covered by such order and to **vacate the 640-acre non-horizontal drilling and spacing units** previously formed by such order for such separate common sources of supply in said **Section 28**. Such additional or new data is derived, in part, from wells drilled in and around said Section 28. Such additional or new data shows that the Chester and Mississippi Lime separate common sources of supply in said Section 28 may be most effectively, efficiently and economically developed together with other formations as the Mississippian common source of supply and that the Mississippian common source of supply may be most effectively, efficiently and economically developed by the drilling of a horizontal well therein. Based on the above, **Order No. 107705** should be amended as set forth herein.
  
  - 10.3 The evidence presented shows that the development or trend of development in the area indicates that said Section 28 is **wholly or substantially underlain by the Mississippian and Woodford formations**, each being prospectively gas productive, as part of the Mississippian and Woodford separate common sources of supply, as established by the order set out in paragraph 6.3, above, the tops of which formations are located in such section at the approximate average depths set forth in subparagraph (ii) of paragraph 6.4, above. The area covered by the order set out in paragraph 6.3, above, as to the Mississippian and Woodford separate common sources of supply of gas, should be enlarged and the boundaries of such separate common sources of supply should be extended so as to cover and include said

Order

Applicant: Camino Natural Resources, LLC

Cause CD No. 201905753

Section 28. The evidence presented shows that the Mississippian common source of supply in said Section 28 should be designated as a conventional reservoir. The evidence presented shows that the Woodford common source of supply in said Section 28 is an unconventional reservoir (shale). The evidence presented further shows that the Commission has previously formed 640-acre horizontal well units in the area involved herein for the Mississippian and Woodford separate common sources of supply and that in order to keep the units of uniform size and shape within such separate common sources of supply, 640-acre horizontal well units should be formed in said Section 28 for such separate common sources of supply. The evidence presented further shows that the Mississippian and Woodford separate common sources of supply underlying said Section 28 are susceptible to being developed effectively, efficiently and economically by horizontal wells. The evidence presented further shows that horizontal wells drilled in the section covered hereby with the longest possible laterals in such separate common sources of supply will be able to drain more effectively, efficiently and economically hydrocarbons within such separate common sources of supply in such section and that the formation of 640-acre horizontal well units for such separate common sources of supply in such section will facilitate the drilling of such horizontal wells with such laterals in such separate common sources of supply. Furthermore, the evidence presented shows that the formation of 640-acre horizontal well units in said Section 28 will provide the most and best flexibility for developing the Mississippian and Woodford separate common sources of supply in such section so as to avoid the drilling of unnecessary wells and the commission of waste. Therefore, 640-acre horizontal well units should be formed in said Section 28 for the effective, efficient and economic development of the Mississippian and Woodford separate common sources of supply in such section.

10.4 There is no well currently completed in or producing from any common source of supply involved herein in the lands covered hereby.

10.5 The units involved herein should be formed in the manner and with the permitted well location tolerances as set forth in this order.

Order  
Applicant: Camino Natural Resources, LLC  
Cause CD No. 201905753

The relief requested herein is necessary to protect correlative rights, prevent the various types of waste and obtain the greatest ultimate recovery of oil and gas, and such request for relief, as set forth above, should be granted in the manner set forth herein, and IT IS SO ORDERED.

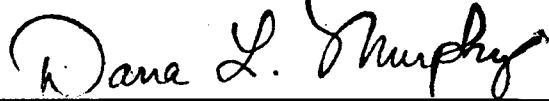
CORPORATION COMMISSION OF OKLAHOMA



J. TODD HIETT, Chairman



BOB ANTHONY, Vice Chairman



DANA L. MURPHY, Commissioner

DONE AND PERFORMED this 6 day of March, 2020.

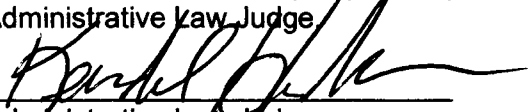
BY ORDER OF THE COMMISSION:

  
PEGGY MITCHELL, Commission Secretary

Order  
Applicant: Camino Natural Resources, LLC  
Cause CD No. 201905753

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing findings and order are the report and recommendations of the  
Administrative Law Judge


  
Administrative Law Judge

2-27-20  
Date

  
Reviewer-Technical Department

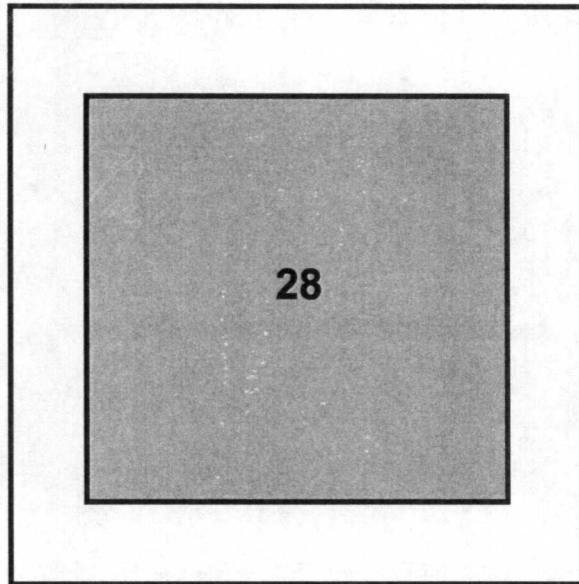
2/29/2020  
Date

**This order follows the format and contains all elements set forth in the Judicial & Legislative Services Form Order for this type of Cause. The undersigned attorney affirms (1) said attorney has read this order and (2) this order is true, correct and approved as to form and content.**

  
John R. Reeves

17813-0141ord

R 7 W



T  
10  
N

**SECTION 28,**

Township 10 North, Range 7 West of the IM,  
Grady County, Oklahoma

COMMON SOURCE OF SUPPLY: Mississippian



HORIZONTAL WELL UNIT: 640-acre horizontal well unit



**PERMITTED WELL LOCATION**

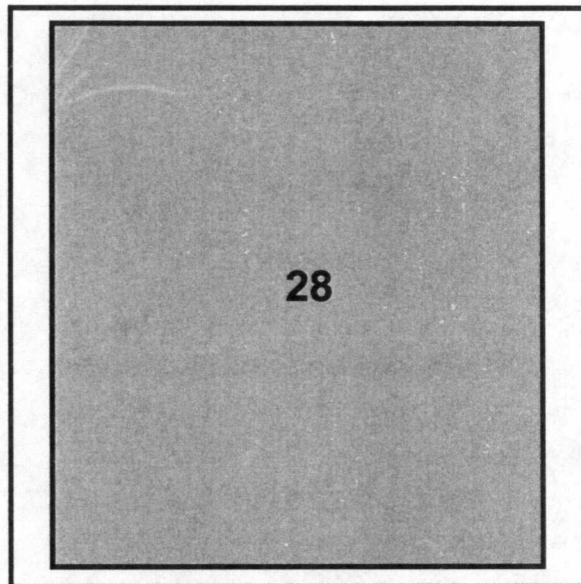
TOLERANCE AREA: The completion interval of any horizontal well hereafter drilled in the 640-acre horizontal well unit formed herein for the Mississippian common source of supply shall be located **not less than 660 feet** any boundary of such unit.

17813-0141pltA

**EXHIBIT "A"**

Page 1 of 2

R 7 W



T  
10  
N

**SECTION 28,**

Township 10 North, Range 7 West of the IM,  
Grady County, Oklahoma

COMMON SOURCE OF SUPPLY: Woodford



HORIZONTAL WELL UNIT: 640-acre horizontal well unit



**PERMITTED WELL LOCATION**

TOLERANCE AREA: The completion interval of any horizontal well drilled in the 640-acre horizontal well unit formed herein for the Woodford common source of supply shall be located **not less than 165 feet from the north line and from the south line** of such unit and **not less than 330 feet from the east line and from the west line** of such unit.

17813-0141pltB

**EXHIBIT "A"**

Page 2 of 2