

FOLLOWING WILL BE THE RECOMMENDATIONS OF
THE INDUSTRY COMMITTEE FOR THE TUBB GAS POOL:

SPECIAL RULES & REGULATIONS
FOR OIL WELLS IN THE TUBB GAS
POOL

RULE 1. Acreage dedicated to a gas well in the Tubb Gas Pool shall not be simultaneously dedicated to an oil well in said Pool.

RULE 2. In the event an oil well is reclassified as a gas well in the Tubb Gas Pool, the operator of such well will be afforded the opportunity to form a non-standard proration unit for the well.

RULE 3. In the event such reclassification should cause the occurrence of more than one gas well producing from the Tubb Gas Pool within a single standard or less than standard proration unit, the sum of the allowables allocated to the wells shall be equivalent to that volume of gas allocated to a proration unit of the same size. The operator of such wells shall have the option to determine the proportion of the assigned allowable to be produced by each individual well, provided all of said wells are orthodox gas locations.

RULE 4. A gas well in the Tubb Gas Pool shall mean a well producing from within the vertical and horizontal limits of the Tubb Gas Pool which:

(a) Produces liquid hydrocarbons possessing a gravity greater than 45° API, or,

(b) Produces liquid hydrocarbons possessing a gravity of 45° API or less, but with a producing gas-liquid ratio in excess of 20,000 cubic feet of gas per barrel of liquid hydrocarbon.

RULE 5. A well producing from within the horizontal and vertical limits of the Tubb Gas Pool and not classified as a gas well as defined in Rule ⁴17, shall be classified as an oil well in the Tubb Gas Pool.

RULE 6. The Proration Manager may reclassify a well under Rules ^{4 or 5}17 or 18 if production data, gas-^{liquid}oil ratio tests or other evidence reflects the need for such reclassification.

The Proration Manager will notify the operator of the reclassified well of such reclassification and the effective date thereof; provided, however, that operator may appeal such reclassification to the Secretary-Director of the Commission in writing.

RULE 7. Gas-liquid ratio tests and determinations of the gravity of that liquid hydrocarbon recovered from wells in the Tubb Gas Pool shall be connected annually during the months of July and August on all wells located in and producing from the Tubb Gas Pool. Results of such tests will be reported to the Commission on Form C-116 on or before the 15th day of September of each calendar year.

RULE 8. The limiting gas-oil ratio for an oil well in the Tubb Pool shall be 3,000 cubic feet of gas for each barrel of oil produced, and all oil proration units having a gas-oil ratio exceeding the limit of 3,000 cubic feet of gas per barrel of oil produced will be penalized in accordance with the customary formula designated by Commission Rule 506 (b).

It is further recommended that the last paragraph of Rule 8 of the Special Rules and Regulations for the Tubb Gas Pool as set forth in Order R-586 be amended as follows:

"If during a proration month there is a change in the acreage dedicated to a gas well, the change of allowable allocated to the well shall be effective on the first day of the month following approval of such change by the Commission.