

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

APPLICANT: FOURPOINT ENERGY, LLC

RELIEF SOUGHT: MULTIUNIT HORIZONTAL WELL

LEGAL DESCRIPTION: SECTIONS 17 AND 20,
TOWNSHIP 17 NORTH, RANGE 23 WEST, ELLIS
COUNTY, OKLAHOMA

CAUSE CD NO.

201904376-T

ORDER NO.

705149

INTERIM FINDINGS AND ORDER

1. **Hearing Date and Place:** This Cause came on for hearing before Curtis M. Johnson, Administrative Law Judge, on the 30th day of September, 2019, at 8:30 a.m., regarding the above-styled Cause, at the Kerr Office Bldg., 440 South Houston, Suite 114, Tulsa, Oklahoma.
2. **Appearances:** Ron M. Barnes and Grayson Barnes, Attorneys, appeared for the Applicant, FourPoint Energy, LLC. No protest was announced at the time of hearing and the Cause was heard uncontested.
3. **Companion Causes:** Well Location Exception Cause CD No. 201904377-T; Increased Well Density Cause CD Nos. 201904380-T and 201904381-T.
4. **Previous Order(s):** None.
5. **Notice and Jurisdiction:** Notice has been given as required and the Commission has jurisdiction of the subject and persons.
6. **Amendment(s):** None.
7. **Relief Requested:** Applicant requests that it be permitted to drill and produce a multiunit horizontal well on the 640-acre horizontal units for the Targeted Reservoir described hereinafter with the allocation of costs and production set forth below:

SECTION	LENGTH OF COMPLETION INTERVAL	ALLOCATION OF COSTS AND PRODUCTION
17	5,095'	50.00%
20	5,096'	50.00%
	TOTAL 10,191'	100.00%

8. **Reason Relief Should Be Granted:** Applicant will save approximately \$1,000,000 by not having to drill a second vertical hole or construct the associated second location, surface facilities and hard line connection. Additionally, the Cleveland common source of supply is approximately the same thickness and quality across each of the affected units and allocation of costs and production based upon percent of completion interval within each unit is fair and reasonable.

9. **Relief Granted:** The well location is granted; the well must be situated:

Surface Hole Location: Will be provided at the time of the Final Hearing.

Location of Wellbore (Lateral) At Section 20 Completion Interval:

The Proposed Location Of The End Points Of The Completion Interval Will Be No Closer Than 0 Feet From The North Line And No Closer Than 165 Feet From The South Line And No Closer Than 1,320 Feet From The West Line Of Section 20, Township 17 North, Range 23 West, Ellis County, Oklahoma

Location of Wellbore (Lateral) At Section 17 Completion Interval:

The Proposed Location Of The End Points Of The Completion Interval Will Be No Closer Than 165 Feet From The North Line And No Closer Than 0 Feet From The South Line And No Closer Than 1,320 Feet From The West Line Of Section 17, Township 17 North, Range 23 West, Ellis County, Oklahoma

The Cleveland common source of supply in the lands covered hereby is a targeted reservoir, the top of which is found at approximately 9,410 feet in depth in Section 17 and 9,470 feet in depth in Section 20. The Cleveland common source of supply covered hereby constitutes a Targeted Reservoir under 52 O.S. §87.6.

The multiunit well will be for the Targeted Reservoir described above and subject to the following spacing order for the units covered herein:

Location	Order No.	Unit Size-Acres	Common Source of Supply
Section 17, Township 17 North, Range 23 West, Ellis County, Oklahoma	704039	640-acre horizontal	Cleveland
Section 20, Township 17 North, Range 23 West, Ellis County, Oklahoma	704039		

Attached hereto as Exhibit "A" and made a part hereof is a map showing the location of each currently existing well in each of the affected units covered hereby and the

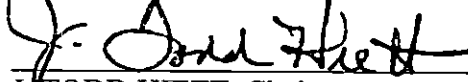
approximate anticipated location of the proposed multiunit horizontal well involved herein.

10. **Allocation of Costs and Production:** That the allocation factor for each of the affected 640-acre horizontal units involved herein shall be determined by dividing the length of the completion interval of the multiunit horizontal well involved herein located in each such affected unit by the entire length of the completion interval of such multiunit horizontal well. In the event the lateral of the multiunit horizontal well involved herein stays within the productive portion of the Cleveland common source of supply throughout the drilling of such lateral, then approximately 50% of the completion interval of such multiunit horizontal well will be located in Section 17 and approximately 50% of the completion interval of such multiunit horizontal well will be located in Section 20. The cost of and the production and proceeds from such multiunit horizontal to be allocated between the affected units involved herein based on such percentages.
11. **Final Allocation:** Final determination of the costs and production for the multiunit horizontal well to be drilled hereunder shall occur upon reopening of this Cause and submission of a bottom hole survey and evidence of the actual completion interval location in each of the above-described units.
12. **Special Provision:** That the entire length of the lateral will be cemented such that the perforations will be isolated from the beginning and end point of the lateral.

The multiunit horizontal well, in accordance with the foregoing, is necessary to prevent waste and to protect correlative rights and FourPoint Energy, LLC shall be permitted to drill, complete, and test such well, as set out herein, provided that such well must be commenced within one year from the date hereof or this order shall be of no force and effect, and IT IS SO ORDERED.

This Cause shall be reopened the 13th day of April, 2020 for introduction of the bottom hole survey.

CORPORATION COMMISSION OF OKLAHOMA



J. TODD HIETT, Chairman



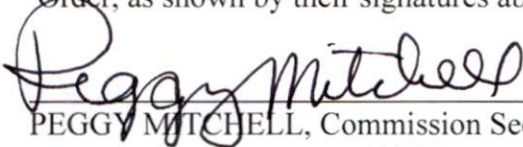
BOB ANTHONY, Vice Chairman



DANA L. MURPHY, Commissioner

CERTIFICATION

DONE AND PERFORMED by the Commissioners participating in the making of this Order, as shown by their signatures above, this 13 day of Nov., 2019.


PEGGY MITCHELL, Commission Secretary

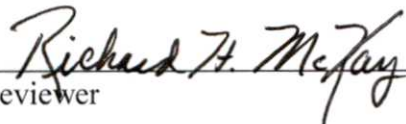
REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing Interim Findings and Order is the report and recommendation of the Administrative Law Judge.

APPROVED:



CURTIS M. JOHNSON, DEPUTY
Administrative Law Judge

10-29-19
Date


Reviewer

11-05-19
Date

APPROVED AS TO CONTENT
AND FORM


RON M. BARNES, OBA # 534
GRAYSON BARNES, OBA #31475

