

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: EXCALIBUR RESOURCES, LLC)
RELIEF SOUGHT: MULTIUNIT HORIZONTAL WELL –) CAUSE CD NO. 201805798
LANCELOT #1-30-31XH)
LEGAL DESCRIPTION: SECTION 30, TOWNSHIP 17 NORTH,)
RANGE 14 WEST AND SECTION 31,)
TOWNSHIP 17 NORTH, RANGE 14 WEST,)
DEWEY COUNTY, OKLAHOMA) ORDER NO. **705171**

**FINAL ORDER OF THE COMMISSION
MULTIUNIT HORIZONTAL WELL**

1. **Hearing Date and Place:** This Cause came on for hearing before PAUL. E. PORTER, Administrative Law Judge, on September 24, 2019 at 8:30 a.m., regarding the above-styled Cause, at the Jim Thorpe Office Bldg., 2101 N. Lincoln Blvd., Oklahoma City, Oklahoma. BEN JACKSON, Administrative Law Judge, heard and recommended this cause on October 17, 2018 and the Commission issued Interim Order No. 693734 on March 29, 2019, which order required that this cause be reopened on July 16, 2019 for the filing of Applicant's surveys which was continued to August 6, 2019; to September 10, 2019 and continued to and recommended on September 24, 2019.
2. **Appearances:** RICHARD J. GORE, Attorney, appeared for Applicant Excalibur Resources, LLC and ERIC R. KING, Attorney, appeared for PEC Minerals, LP.

Findings

3. **Companion Causes:** Horizontal Well Location Exception Cause CD No. 201805799.
4. **Protests:** No protests, either written or oral, were received by Applicant or the Commission in this cause.
5. **Notice and Jurisdiction:** Notice has been given as required and the Commission has jurisdiction of the subject and persons. The Commission has conducted a judicial inquiry into the sufficiency of Applicant's search to determine the names and whereabouts of respondents served herein by publication, and based on the evidence adduced, the Commission finds that Applicant, the owner of oil and gas leasehold interests within the lands described in the caption hereof, 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.
6. **Amendment:** The Application was orally amended to specify the actual surface and downhole locations, to dismiss the Mississippian (less Chester) and Hunton common

sources of supply, to change the allocation of costs and production, and that not all of the lateral is cased and cemented due to mechanical difficulties encountered in the attempt to run production casing.

7. **Relief Requested:** Applicant requests that it or some other party owning the right to drill be permitted to drill and produce the Lancelot # 1-30-31XH Well, a multiunit horizontal well on the 640 acre units for the Targeted Woodford common sources of supply in Sections 30 & 31-T17N-R14W, Dewey County, Oklahoma with the allocation of costs and production set forth below:

SECTION:	LENGTH OF COMPLETION INTERVAL:	ALLOCATION OF COSTS AND PRODUCTION:
30	2,917'	40.01%
31	4,373'	59.99%
	TOTAL 7,290'	100.00%

8. **Relief Granted:** The requested relief is granted; the Lancelot # 1-30-31XH Well is situated at the following locations:

	Measured Depths	True Vertical Depths	<u>Locations are all in Township 17 North, Range 14 West, Dewey County, Oklahoma</u>
<u>SURFACE LOCATION:</u>			258' FSL & 1,060' FWL of Sec. 31
<u>COMPLETION INTERVAL:</u>			
First Perforations in Sec. 31	12,500'	12,157'	904' FSL & 1,010' FWL of Sec. 31
Last Perforation Sec. 31	15,552'	12,072'	1,319' FNL & 885' FWL of Sec. 31
End of Production Casing in Sec. 31	15,612'	12,071'	1259' FNL & 881' FWL of Sec.31
South section line of Section 30 & North section line of Section 31	16,873'	12,028'	0' FSL Sec. 30 & 0' FNL Sec. 31 & 856' FWL of Secs. 30 & 31
End of Open Hole Lateral in Sec. 30	19,790'	11,923'	2,340' FNL & 759' FWL Sec. 30

The multiunit well will be for the common sources of supply described herein and subject to the following spacing orders:

- (A) Section 30, Township 17 North, Range 14 West

<u>Common Source of Supply</u>	<u>Order No.</u>
Woodford	689492

- (B) Section 31, Township 17 North, Range 14 West


<u>Common Source of Supply</u>	<u>Order No.</u>
Woodford	687580

9. **Reason for Relief: Economic** – it was the engineering testimony that there are numerous benefits of drilling a multiunit lateral: (a) Cost savings by construction of one surface location versus two surface locations; (b) Cost savings in infrastructure costs of one lease road and one pipeline versus multiple roads and pipelines if each section is developed solely as 640 acre units; and (c) Reduced cost of drilling only one lateral well versus two separate laterals.
10. **Allocation of Costs and Production:** That the allocation factor for the affected 640 acre units involved herein has been 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. The Woodford common sources of supply are approximately the same thickness and same quality across each of the affected units and allocation of costs and production based upon the percentage of the completion interval within each unit is fair and reasonable. Based upon a final, bottomhole directional survey, the lateral of the multiunit horizontal well involved herein within the productive portion of the Reservoir is situated as follows: **40.01% of the completion interval of such multiunit horizontal well is located in said Section 30, and 59.99% of such completion interval is located in Section 31;** therefore, the cost of and the production and proceeds from such multiunit horizontal shall be allocated between the affected units involved herein based on such percentages.
11. **Special Provisions:** That the lateral has been cased and cemented to the measured depth (“MD”) of 15,612 such that the perforations to that point are isolated from the beginning to said point. The lateral is open hole from MD 15,612 to MD 19,790 being the end point of the lateral and production from all parts of the lateral was confirmed by frac tracers.
12. **Exhibit Attached:** A Well Location Plat is attached labeled as Exhibit “A” and made a part of this Order.

The multiunit horizontal well, in accordance with the foregoing, is necessary to prevent waste and to protect correlative rights and EXCALIBUR RESOURCES, LLC should be permitted to drill, complete and test such well, as set out herein. The Lancelot # 1-30-31XH Well has been drilled and completed and this order shall remain in force and effect as long as operations or production continue, and IT IS SO ORDERED. That Interim Order No. 693734 is

incorporated herein and made final in the determination of this cause. The Mississippian (less Chester) common source of supply was drilled through but not completed in the Lancelot #1-30-31XH Well and is, therefore, dismissed.

CORPORATION COMMISSION OF OKLAHOMA



J. TODD NIETZ, Chairman



BOB ANTHONY, Vice Chairman

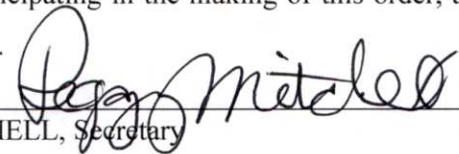


DANA L. MURPHY, Commissioner

CERTIFICATION

DONE AND PERFORMED by the Commissioners participating in the making of this order, as shown by their signatures above, this 14 day of ~~October~~ November, 2019.

Seal




PEGGY MITCHELL, Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

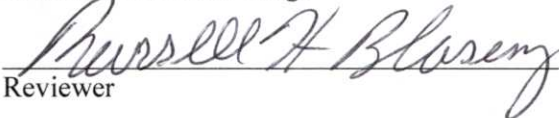
The foregoing findings and order are the report and recommendations of the Administrative Law Judge.

APPROVED:



PAUL E. PORTER,
Administrative Law Judge

SEPT. 27, 2019
Date



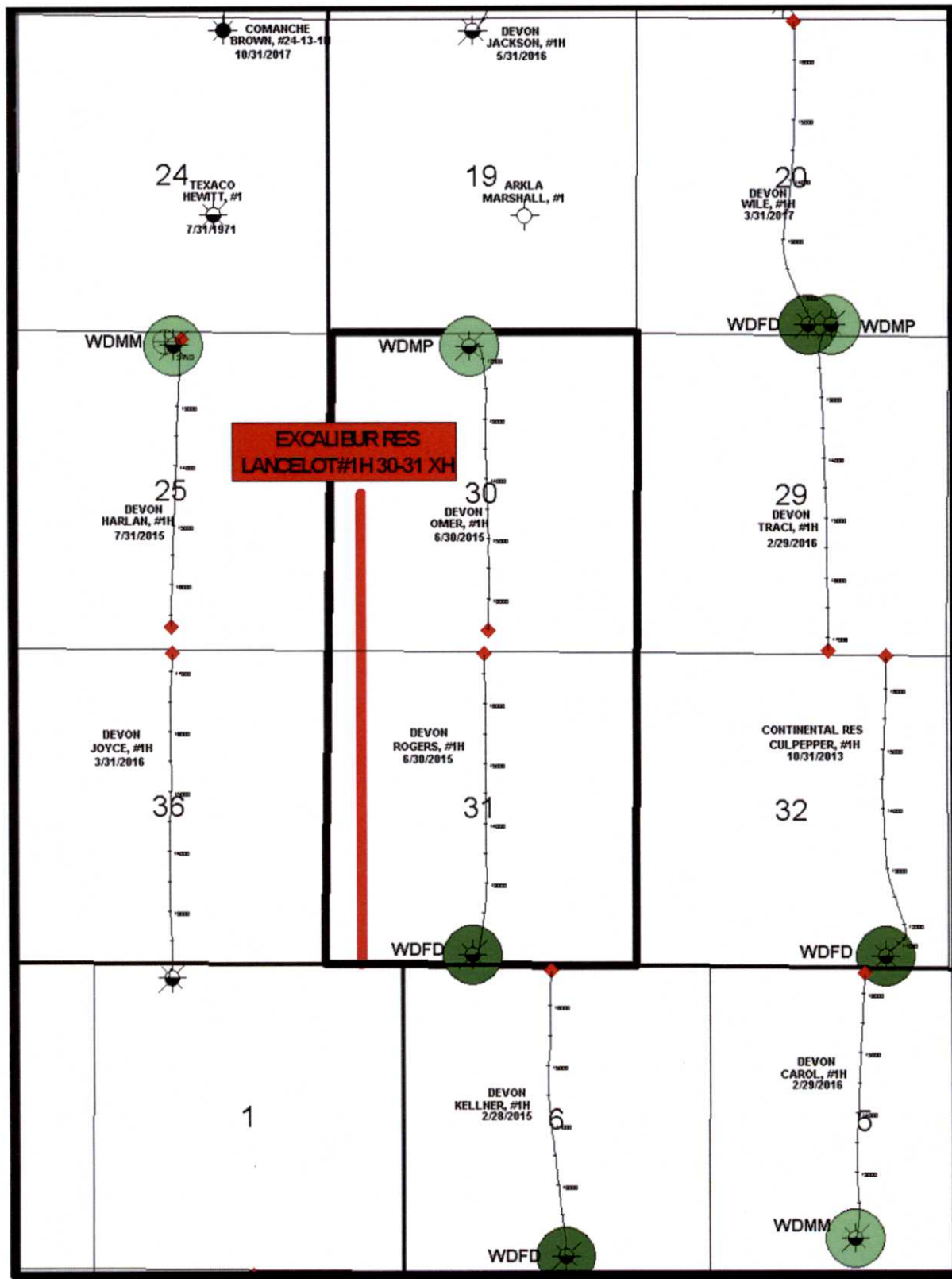
Reviewer

11/6/19
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.



RICHARD J. GORE, OBA# 3479



**EXCALIBUR RES
LANCELOT #1 H 30-31 XH**

1" = 2640'

0.5000 0 0.5000 1 1.5000 mi

- ☀ O&G
- OIL
- ☀ PG
- ☀ PO
- ☀ PO&G
- ⊕ INJECTION
- ⊕ AB-LOC
- ⊕ D&A
- ☀ GAS
- ⊕ J&A
- LOC

- WOODFORD/MISSISSIPPIAN (WDMP)
- WOODFORD/MISSISSIPPIAN LINE (WDM)
- WOODFORD PRODUCTION (WDFD)

Excalibur Resources, LLC
 12222 Merk Drive, Suite 1150
 Dallas, Texas 75251

**LANCELOT #1 30-31XH
 WOODFORD PRODUCTION MAP
 SECT. 30-31, 17N14W
 DEWEY COUNTY, OKLAHOMA
 CAUSE CD No. 201805797
 CAUSE CD No. 201805798
 CAUSE CD No. 201805801**

As/Rev: K/EE 02/01 Scale: 1:2640 Date: 14 October, 2012

EXHIBIT "A"