



**SUGGESTIONS FOR OPERATORS**

**OPTIONAL PROCEDURE**

**FOR SPACING-RELATED APPLICATIONS**

**OCC-OAC 165:5-13-3.1**

COMPILED BY THE STAFF OF THE  
OKLAHOMA CORPORATION COMMISSION  
OIL AND GAS CONSERVATION DIVISION AND  
THE OFFICE OF GENERAL COUNSEL

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# INTRODUCTION

This paper is an unofficial guide to using the “optional procedure” for spacing related applications. In 1993, the Commission adopted OAC 165:5-13-3.1, which established a desk review procedure for processing spacing related applications without a formal evidentiary hearing.

The optional procedure is available for three categories of applications under 52 O.S. Section 87.1 (2001): (1) drilling and spacing units; (2) well location exception; and (3) increased well density. This procedure is not available for forced pooling.

At its core, the optional procedure is about the method an applicant selects to persuade an administrative law judge to grant the application. Traditionally, an applicant’s attorney put one or more witnesses on the witness stand in a trial-type hearing. With advances in technology, the Commission allowed telephonic testimony. With the optional procedure, the Commission authorized written testimony in a “desk review” setting instead of a formal hearing. The burden of proof did not change. The Commission just offered another option to prospective applicants.

The Commission allowed the optional procedure program to develop under a short and simple regulation. The Commission has not issued a guidance statement or adopted official forms for the applications, evidentiary affidavits and orders. The Commissioners may eventually do so, but until then, a prospective applicant must craft the format for the presentation of his evidence.

Along that line, the Commission staff has developed suggestions based on applications that have successfully gone through the process. Staff counsel prepared the enclosed forms as possible solutions to the question of how to proceed. Developed in the format of a “continuing education seminar”, this paper contains a step-by-step analysis of the process along with sample forms and the applicable rules and statutes.

The focus of the paper is on how to file and fill out forms. The materials provided outline the steps for basic applications, and they should not be considered as a comprehensive source of information or intended to give legal advice to those who would use the optional procedure.

If you have any questions about this paper or Commission rules and regulations, contact:

Office of General Counsel	OKC	405-521-2255
Manager – Technical Services	OKC	405-521-2489
Geology Department	OKC	405-521-2279

# STEP BY STEP OVERVIEW

The optional procedure replaces the formal evidentiary hearing. It involves a desk review by an administrative law judge who may be an attorney or a geoscientist. The judge bases his decision on the application, notices, affidavits and exhibits. The following provides a brief explanation of each step in this process.

1. **PREPARE PAPERWORK:** You (the applicant) prepare the application and notice. Except as otherwise noted, you need an original and at least six copies for all forms.
2. **FILE APPLICATION AND NOTICE:** You file the application and notice of hearing, with the Commission's Court Clerk in Oklahoma City or Tulsa. The filing fee is thirty-five dollars.
3. **SET DATE ON NOTICE:** At the time of filing, the clerk will set a date for the application to go before an administrative law judge for announcement of protests. The applicant can request the date from a list of available dates. The date should be not less than the fifteen days after the filing date. The fifteen-day notice requirement is statutory.
4. **MAIL APPLICATION AND NOTICE:** You must give notice by mail or private process server. An Applicant generally gives notice by mail. The Well Spacing Act requires that you provide each person entitled to notice with a copy of the application and notice. The procedural rule for the type of application, e.g., spacing, location exception or increased density, lists the interest owners entitled to notice. See appendix for the rules.
5. **AFFIDAVIT OF MAILING:** The applicant must file an affidavit showing who got notice and when. If the applicant uses a process server instead of mailing, the applicant files an affidavit of personal service. In either case, the administrative law judge will not process the application without an affidavit showing that notice was given.
6. **PUBLISHING THE NOTICE:** The rules require publishing the notice in a newspaper of general circulation in Oklahoma County and in a newspaper of general circulation in the county where the property is located. The publications must occur not less than fifteen days before the date on the notice. Each newspaper publisher will provide a "publishers affidavit" to file as proof of publication. The administrative law judge will not process the application without the publisher's affidavits.
7. **AFFIDAVITS AND SUPPORTING EXHIBITS:** The affidavits are used as testimony. You need to submit at least two complete sets of these affidavits and exhibits. They can be submitted at anytime. However, the desk review of the

application does not begin until the evidence is received. All evidence should be delivered together, if possible. If you submit an incomplete packet, a processing delay could result. If an incomplete packet appears complete, the administrative law judge may decide the application based on the incomplete evidence. In such a situation, you risk denial of the application at the desk review level.

8. **DOCKET CALL:** On the date listed on the notice, an administrative law judge will conduct a brief proceeding for purposes of receiving announcements about any protests to the application. You need not appear at this proceeding, if your application states on its face that you are requesting the optional procedure. If a protest is announced, someone will contact you, and the application must go to a formal evidentiary hearing instead of the desk review. If no protest is announced, the application goes to an administrative law judge for a desk review, which takes the place of the formal evidentiary hearing.
9. **DESK REVIEW:** The Administrative Law Judge reviews the affidavits and other evidence provided. If the evidence is sufficient, he will prepare an order granting the application. If he has any question or wants additional evidence, he will call you or send an e-mail. If he denies the application, he will notify you and the application will be set for a formal hearing.
10. **PREPARATION OF THE ORDER:** You are responsible for preparing a proposed order. To speed up processing, you may send an order with the evidence packet. As with the other forms, you need an original and six copies of the order.
11. **ISSUANCE OF THE ORDER:** The Commissioners sign the order. The order is effective as to your interest when it is signed, unless the order specifies another effective date.
12. **MAIL COPIES OF ORDERS:** The applicant mails copies of the order to the people to whom he mailed the application and notice. The order is not effective as to the interests of those people until it is mailed.

# FLOW CHART

# APPLICATIONS

The sample applications derive from actual applications filed at the Commission.

The forms should be acceptable to any administrative law judge. If you want to modify the application, consult the procedural rule for the content of applications is in the appendix.

After filing your application, you may change your application at anytime before the administrative law judge rules on the application. Amendments are done by either an “amended application” or “supplemental application.” Amended and supplemental applications may use the same format as an initial application. A material change to the application such as a request for additional relief requires notice to the respondents. Deletion of any item of relief does not.

For notice requirements, you should consult the procedural rule for the type of relief request, e.g., OAC 165:5-7-9, location exception. The appendix to this paper contains copies of the applicable procedural rules. The general requirement is a minimum of fifteen days notice on an application. Notice is customarily given by mail and by newspaper publication.

The notices of hearing forms included with the applications are official forms of the Commission. The forms refer to a “notice of hearing.” The term “hearing” may seem inappropriate for the concept of a desk review. However, the desk review is technically a hearing even though a desk review is not a trial-type proceeding.

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: )  
RELIEF SOUGHT: ESTABLISH SPACING ) CAUSE CD NO.  
LEGAL DESCRIPTION: )  
)

**APPLICATION FOR OPTIONAL PROCEDURE  
PURSUANT TO OAC 165:5-13-3.1**

1. Parties.

1.1 Applicant:  
Address:  
Telephone:

Others:

1.2 Staff Counsel  
Oklahoma Corporation Commission  
Jim Thorpe Building  
Oklahoma City, OK 73105

1.3 Applicant is the owner of the right to drill a well into and produce hydrocarbons from the separate common source(s) of supply, which the Applicant seeks to be spaced by this application.

1.4 Exhibit "A" lists the name and last-known address of each person or entity required by OAC 165:5-7-6, and/or other applicable law, to be provided notice of this application.

2. Allegations of Facts.

2.1 Evidence indicates that the captioned land is wholly or substantially underlain by the formation(s) named below. An order should be issued to establish the boundaries of such separate common sources(s) of supply so as to cover and include the captioned land, and proper drilling and spacing units should be formed for such separate common source(s) of supply in such section.

Common Source of Supply                      Size                      Type (Oil/Gas)



2.2 Exhibit "B" is a plat showing the drilling and spacing unit(s) requested, together with any drilling and spacing units abutting or overlapping the area to be spaced.

3. Legal Authority. The relief sought by this application is authorized by 52 O.S. §87.1.

4. Relief Sought. Applicant requests review of this application under OAC 165:5-13-3.1 and that the Corporation Commission of Oklahoma enter an order to be effective as of the date of the execution thereof or as of a date prior thereto, as follows:

4.1 Establishing the boundaries of the following separate common source(s) of supply so as to include the captioned land, and to form proper drilling and spacing unit(s) in the captioned land:

<u>Common Source of Supply</u>	<u>Type (Oil/Gas)</u>	<u>Size</u>
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4.2 Granting such other and further relief as may be proper based upon the evidence presented at the hearing herein.

DATED:

Applicant

VERIFICATION

STATE OF OKLAHOMA )  
) ss.  
COUNTY OF )

, being first duly sworn, upon oath, deposes and says:

That he/she is \_\_\_\_\_ for the Applicant; that he/she has read the within and foregoing application and knows the contents thereof; and states upon information and belief that the matters contained therein are true and correct to the best of his/her knowledge and belief.

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_  
My Commission Number: \_\_\_\_\_  
(Seal)

EXHIBIT "B"  
***PROPOSED LOCATION***

T5N-R29E, Big County Oklahoma

3-5N-29E No Spacing Found	2-5N-29E No Spacing Found	1-5N-29E (1)
10-5N-29E (1) (2)	11-5N-29E No Spacing Found	12-5N-29E No Spacing Found
15-5N-29E (1) (2) (3)	14-5N-29E No Spacing Found	13-5N-29E No Spacing Found

	Formation	Acres	Type	Order	Lands Affected
(1)	Arbuckle	640	Gas	99999	All 1, 10, 15
(2)	Hunton	640	Gas	99998	All 10, 15
(3)	Cromwell	640	Gas	99997	All 15

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: )  
RELIEF SOUGHT: EXTEND SPACING ) CAUSE CD NO.:  
LEGAL DESCRIPTION: )

**APPLICATION FOR OPTIONAL PROCEDURE  
PURSUANT TO OAC 165:5-13-3.1**

1. Parties.

1.1 Applicant:  
Address:  
Telephone:

Others:

1.2 Staff Counsel  
Oklahoma Corporation Commission  
Jim Thorpe Building  
Oklahoma City, OK 73105

1.3 Applicant is the owner of the right to drill a well into and produce hydrocarbons from the separate common source(s) of supply underlying the captioned land which this application seeks to space.

1.4 Exhibit "A" lists the name and last-known address of each person or entity required by OAC 165:5-7-6, or other applicable law, to be provided notice of this application.

2. Allegations of Facts.

2.1 By the following order(s), the Commission formed the boundaries of drilling and spacing unit(s) in lands adjoining or cornering the captioned lands:

Common Source of Supply    Size    Type (Oil/Gas)    OCC Order Number

2.2 Since the most recent Commission order, data has been obtained demonstrating a substantial change in conditions or changes in knowledge of conditions existing in connection with such common source(s) of supply. Evidence indicates that the captioned land is wholly or substantially underlain by the formation(s) named in paragraph 2.1, as part of the separate common source(s) of supply established by the order(s) set out in

paragraph 2.1. The spacing order(s) should be amended to enlarge and extend the boundaries of such separate common source(s) of supply so as to cover and include the captioned land, and proper drilling and spacing unit(s) should be formed for such separate common source(s) of supply in such section. 2.3

2.3 Exhibit "B" is a plat showing the drilling and spacing unit(s) requested, together with any drilling and spacing units abutting or overlapping the area to be spaced.

3. Legal Authority. The relief sought by this application is authorized by 52 O.S. §87.1.

4. Relief Sought. Applicant requests of this application under OAC 165:5-13-3.1 and that the Corporation Commission of Oklahoma enter an order to be effective as of the date of the execution thereof or as of a date prior thereto, as follows:

4.1 Amending the order(s) set forth in paragraph 2.1, to enlarge and extend the boundaries of the following separate common source(s) of supply so as to include the captioned land, and to form proper drilling and spacing unit(s) in the captioned land:

<u>Common Source of Supply</u>	<u>Type (Oil/Gas)</u>	<u>Size</u>
--------------------------------	-----------------------	-------------

4.2 Granting such other and further relief as may be proper based upon the evidence presented at the hearing herein.

DATED: .

Applicant



EXHIBIT "B"  
***PROPOSED LOCATION***

T5N-R29E, Big County Oklahoma

3-5N-29E No Spacing Found	2-5N-29E No Spacing Found	1-5N-29E (1)
10-5N-29E (1) (2)	11-5N-29E No Spacing Found	12-5N-29E No Spacing Found
15-5N-29E (1) (2) (3)	14-5N-29E No Spacing Found	13-5N-29E No Spacing Found

	Formation	Acres	Type	Order	Lands Affected
(1)	Arbuckle	640	Gas	99999	All 1, 10, 15
(2)	Hunton	640	Gas	99998	All 10, 15
(3)	Cromwell	640	Gas	99997	All 15

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: )  
 )  
RELIEF SOUGHT: INCREASED DENSITY ) CAUSE CD NO.  
 )  
LEGAL DESCRIPTION: )

**APPLICATION FOR OPTIONAL PROCEDURE  
PURSUANT TO OAC 165:5-13-3-3.1**

1. Parties.

1.1 Applicant:  
Address:  
Telephone:

Others:

1.2 Staff Counsel  
Oklahoma Corporation Commission  
Jim Thorpe Building  
Oklahoma City, OK 73105

1.3 Applicant is the owner of the right to drill a well into and produce hydrocarbons from the common source(s) of supply which is the subject of this application and which underlies the captioned land.

1.4 Exhibit "A" lists the name and last-known address of each person or entity required by OAC 165:5-7-10, and/or other applicable law, to be provided notice of this application.

2. Allegations of Facts.

2.1 The Commission has formed the following drilling and spacing unit(s) underlying the captioned lands:

Common Source of Supply                      Order No.                      Size

2.2 The well(s) listed below is/are presently producing from the common source(s) of supply listed in paragraph 2.1.

Well Name

Location

2.3 Since the most-recent Commission order, data has been obtained demonstrating a substantial change in conditions or changes in knowledge of conditions existing in connection with such common source(s) of supply. It now appears that the existing well(s) cannot effectively and efficiently drain all of the primarily recoverable hydrocarbons in such common source(s) of supply underlying the captioned land. Therefore, more well(s) is/are necessary in the drilling and spacing unit(s) formed for the common source(s) of supply.

2.4 In order to protect correlative rights, obtain the greatest ultimate recovery of oil and gas and prevent the various types of waste, the Commission should authorize more well(s), and should establish proper allowable(s) for such well(s).

3. Legal Authority. The relief sought by this application is authorized by 52 O.S. §87.1.

4. Relief Sought. Applicant requests review of this application under OAC 165:5-13-3.1 and that the Corporation Commission enter an order to be effective as of the date of the execution thereof or as of a date prior thereto, amending the applicable orders of the Commission to authorize and permit additional well(s) in the drilling and spacing unit(s) formed for the common source(s) of supply described herein, to allow Applicant or some other party recommended by Applicant to drill and produce such well(s), and to establish proper allowables for such well(s) and such unit(s).

DATED .

---

Applicant





BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: )  
 ) CAUSE CD NO.  
RELIEF SOUGHT: LOCATION )  
EXCEPTION )  
 )  
LEGAL DESCRIPTION: )

**APPLICATION FOR OPTIONAL PROCEDURE  
PURSUANT TO OAC 165:5-13-3-1**

1. Parties.

1.1 Applicant:  
Address:  
Telephone:

Others:

1.2 Staff Counsel  
Oklahoma Corporation Commission  
Jim Thorpe Building  
Oklahoma City, OK 73105

1.3 Applicant is the owner of the right to drill a well into and produce hydrocarbons from the separate common source(s) of supply underlying the captioned land listed in paragraph 2.1.

1.4 Exhibit "A" lists the name and last-known address of each person or entity required by OCC-OAC 165:5-7-9, and/or other applicable law, to be provided notice of this application.

2. Allegations of Facts.

2.1 The Commission formed the following drilling and spacing unit(s) with permitted well location(s). Applicant proposes to drill a well at the requested location to be completed in and produce hydrocarbons from the following common source(s) of supply. Since the most-recent Commission order, data has been obtained demonstrating a substantial change in conditions or changes in knowledge of conditions existing in connection with such common source(s) of supply. The requested location is necessary because .



SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

My Commission Number: \_\_\_\_\_

(Seal)

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: )  
 )  
RELIEF SOUGHT: ) CAUSE NO.:  
 )  
LEGAL DESCRIPTION: )  
(WHERE APPROPRIATE): )

**NOTICE OF HEARING OF AN  
APPLICATION FOR OPTIONAL PROCEDURE  
PURSUANT TO OAC 165:5-13-3.1**

NOTICE IS HEREBY GIVEN that the Applicant in this cause is requesting that the Commission (set out the nature of the application and the relief sought).

NOTICE IS FURTHER GIVEN that the Applicant in this cause is requesting the following special relief: See 165:5-7-11(g), 165:5-7-20(e), 165:5-7-21(e) or 165:5-7-22(e).

NOTICE IS FURTHER GIVEN that this cause be set before an Administrative Law Judge for hearing, taking of evidence and reporting to the Commission.

NOTICE IS FURTHER GIVEN that this cause will be heard before an Administrative Law Judge on the docket at the Corporation Commission, (insert the address of the appropriate regional service office), Oklahoma, at on the day of , 20 , and that this notice be published as required by law and the rules of the Commission.

NOTICE IS FURTHER GIVEN that the Applicant and interested parties may present testimony by telephone. The cost of telephonic communication shall be paid by the person or persons requesting its use. Interested parties who wish to participate by telephone shall contact the Applicant or Applicant's attorney, prior to the hearing date, and provide their name and phone number.

\*\* NOTICE IS FURTHER GIVEN that the descriptions of "land sections adjacent to the area within the location exception" requested herein are . Furthermore, the descriptions of other "land sections" surrounding the captioned Section are .\*\*

NOTICE IS FURTHER GIVEN for information concerning this action, contact (Name of Attorney--not firm name; or individual signing the application), (Address), (City), (State), (phone number).

OKLAHOMA CORPORATION COMMISSION

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Vice Chairman

\_\_\_\_\_  
Commissioner

DONE AND PERFORMED this \_\_\_ day of \_\_\_\_\_, 20\_\_.

BY ORDER OF THE COMMISSION:

\_\_\_\_\_  
Secretary of the Commission

[**Source:** Amended at 10 Ok Reg 2591, eff 6-25-93; Amended at 11 Ok Reg 4623, eff 9-4-94 (emergency); Revoked and reenacted at 12 Ok Reg 2005, eff 7-1-95; Revoked and reenacted at 17 Ok Reg 2299, eff 7-1-00]

**\*\* This language is required only for location exception applications pursuant to 52 OS § 87.3.\*\***

**NOTE: OAC 165:5-7-6 (d) requires that Notices of Hearing of Applications modifying Commission Orders shall cite the Commission Order which is to be modified in the Special Relief paragraph of the Notice.**

**OAC 165: 5-7-6 (e) states that where a well has not been commenced to or completed in the common source of supply sought to be spaced, notice of hearing for an order to vacate, alter, amend, extend, or change a prior spacing order shall be placed in the special relief paragraph of the Notice of Hearing.**

**OAC 165:5-7-12 (i) provides that the Notice of Hearing shall contain a Special Provision apprising the Respondent of the requirements for protests under OAC 165: 5-7-12 (j).**

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: )  
 )  
RELIEF SOUGHT: ) CAUSE CD NO.  
 )  
LEGAL DESCRIPTION: )

**AFFIDAVIT FOR SERVICE BY PUBLICATION  
AND OF MAILING AND NON-MAILING**

STATE OF OKLAHOMA )  
 ) SS:  
COUNTY OF )

The undersigned Affiant, of lawful age, being first duly sworn upon oath, deposes and says:

The above-styled Application has been filed on behalf of Applicant seeking relief before the Corporation Commission of Oklahoma. The parties named in the Application, as filed, are all Respondents to whom an Application and Notice of Hearing must be mailed as required by the orders, rules, and regulations of the Commission and by law.

Applicant, with due diligence, has been unable, after inquiry of every possible source for information, to ascertain the whereabouts or the places of residence or business of the Respondents with unknown addresses or with undeliverable addresses. Affiant does not know, and with due diligence cannot ascertain, whether said Respondents, if individuals, are living or dead, or whether said Respondents, if corporations or other business entities, exist. None of the business entities, including corporations, which have unknown or undeliverable addresses has a registered agent in the State of Oklahoma. If any of the Respondents are dead or are dissolved, Affiant does not know and cannot ascertain their known and unknown successors, if any. Whereupon and accordingly, Applicant desires to obtain service by publication upon said Respondents whose addresses are unknown or are undeliverable.

A copy of the Application and Notice of Hearing in this Cause has not been mailed to those Respondents whose addresses or whereabouts are not known, but a copy of the Application and Notice of Hearing has been forwarded, this date, by Certified U. S. Mail, Return Receipt Requested, postage prepaid, to the other parties Respondent has set out in the Application.

Dated \_\_\_\_\_ .

Affiant

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

My Commission Number: \_\_\_\_\_

(Seal)



## **SUGGESTIONS FOR AFFIDAVITS**

The evidence supporting the cause must be submitted in the form of an affidavit. The following samples affidavits are based checklists developed by the Commission's Office of Administrative Proceedings in 1993. Applicants have used these checklists to prepare successful applications. The sample affidavits are in a question and answer format to simplify use. These affidavits show the basic elements which the applicant must prove.

In regard to the amount and type of evidence, the applicant has discretion on what to present. The applicant may submit exhibits to supplement the affidavits, where helpful. The administrative law judge also may ask questions or ask for additional evidence at his discretion.

Each affidavit that is submitted should be signed and sworn before a notary. The administrative law judge will incorporate the affidavits and attachments as court exhibits for the record.

On any maps, graphs, charts, volumetric calculations or other exhibits, the applicant should include the case number, the name of the person who prepared the exhibit, the date it was prepared, and a title or brief explanation of what the exhibit is and what it shows.



FURTHER AFFIANT SAYETH NOT.

\_\_\_\_\_  
Name Title

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_ No. \_\_\_\_\_

STATE OF OKLAHOMA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

I, the undersigned, being duly sworn and upon oath, state as follows:

1. Has the Applicant authorized the Affiant to testify to matters in this Affidavit?  
\_\_\_\_ Yes \_\_\_\_ No
2. Has the Affiant testified before the Commission before and have their credentials been accepted with respect to matters regarding geology?  
\_\_\_\_ Yes \_\_\_\_ No
3. Formation to be spaced:

Common Source of Supply	Depth	Classification	Unit Size

4. The purpose of this application is to \_\_\_\_ extend \_\_\_\_ establish \_\_\_\_ vacate spacing.  
(check all that apply)
5. Show the requested spacing configuration and well pattern of the proposed unit(s) and existing adjacent unit(s): Attached as Exhibit "B".
- 5(a). If extending 10, 20, 80 or 320 acre spacing is the drilling unit pattern the same as in adjacent unit(s)? \_\_\_\_ Yes \_\_\_\_ No

6. If establishing spacing, is the formation(s) to be spaced a separate and distinct common source of supply?  
 Yes     No     NA
7. If extending spacing, is the proposed unit(s) part of the same common source(s) of supply underlying the adjacent drilling and spacing unit(s)?  Yes  No
8. Does the common source of supply substantially underlie the requested spacing unit?  
 Yes     No
9. Do the characteristics of the formation(s) support the requested spacing?  Yes  
 No (Attach supporting maps and documents as Exhibit "C")
10. Are any other orders of the Commission to be incorporated in this cause?  
 Yes     No. (If yes, Orders are attached as Exhibit "D".)
11. Will one well effectively and efficiently drain the proposed unit?  
 Yes     No
12. Do any field rules exist?  Yes     No    (If yes, please attach a copy of the field rules as Exhibit "E".)
13. FOR DESPACING ONLY. Has there been a change in condition or change in knowledge of the condition of the drilling and spacing unit?  Yes  No (If yes, attach a description of the change in condition as Exhibit "E".)
14. Will the proposed drilling and spacing unit(s) prevent waste and protect correlative rights?  Yes  No

THE ABOVE AND FOREGOING IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

FURTHER AFFIANT SAYETH NOT.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

No. \_\_\_\_\_

EXHIBIT "A"  
NOTICE

I, \_\_\_\_\_, have testified previously before the Commission and have had my credentials accepted with respect to matters regarding land and mineral ownership. The required Notice of Publication has been filed with the Court Clerk of the Commission. With respect to the parties who are entitled to Notice in this matter, I have listed below the names of those who have received Notice of this cause. With respect to those parties that could not be found, I have attached forms listing the names of the parties and the information reviewed to locate them. I believe that the steps taken to locate these parties satisfies the requirement of due diligence.

Attachment for Exhibit "A"

Name: \_\_\_\_\_

In order to locate the person named above, I searched the following sources:  
(Please check all items that apply)

\_\_\_\_\_ The land records located in the County Clerk's office of the County where the well is located.

\_\_\_\_\_ The records of the Court Clerk of the County of the where the well is located.  
(To include probate records)

\_\_\_\_\_ The telephone books of all cities located in the county where the well is located.

\_\_\_\_\_ The following internet sites: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Tax records of \_\_\_\_\_ County.

\_\_\_\_\_ Records of the Oklahoma Secretary of State.

\_\_\_\_\_ Records of the Oklahoma Corporation Commission.

\_\_\_\_\_ Other \_\_\_\_\_

EXHIBIT "B"  
***PROPOSED LOCATION***

T5N-R29E, Big County Oklahoma

3-5N-29E No Spacing Found	2-5N-29E No Spacing Found	1-5N-29E (1)
10-5N-29E (1) (2)	11-5N-29E No Spacing Found	12-5N-29E No Spacing Found
15-5N-29E (1) (2) (3)	14-5N-29E No Spacing Found	13-5N-29E No Spacing Found

	Formation	Acres	Type	Order	Lands Affected
(1)	Arbuckle	640	Gas	99999	All 1, 10, 15
(2)	Hunton	640	Gas	99998	All 10, 15
(3)	Cromwell	640	Gas	99997	All 15





THE ABOVE AND FOREGOING IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

FURTHER AFFIANT SAYETH NOT.

\_\_\_\_\_  
Name Title  
Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_ No. \_\_\_\_\_

STATE OF OKLAHOMA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

I, the undersigned, being duly sworn and upon oath, state as follows:

1. Has the Applicant authorized the Affiant to testify to matters in this Affidavit?  
\_\_\_\_ Yes \_\_\_\_ No
2. Has the Affiant testified before the Commission before and have their credentials been accepted with respect to matters regarding geology?  
\_\_\_\_ Yes \_\_\_\_ No
3. What is the size of the drilling and spacing unit(s) and the prescribed legal location for each?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
4. Attach a plat showing the proposed location and adjacent wells which produce from the same commons source(s) of supply. See Exhibit "B"
5. Identify all adjacent offset operators of wells which produce from the same common source(s) of supply covered by the application toward which the applicant proposes to drill. (See Exhibit "B")
6. Reason for the location exception? \_\_\_\_\_  
\_\_\_\_\_
7. Will there be any adverse effects on offsets? \_\_\_\_ Yes \_\_\_\_ No (If yes, explain)  
\_\_\_\_\_  
\_\_\_\_\_

8. Describe any proposed penalty on production from the proposed well.  
\_\_\_\_\_
9. What will be the predominant hydrocarbon produced?\_\_\_\_\_
10. Are any other orders of the Commission to be incorporated in this matter?  
\_\_\_\_\_ Yes \_\_\_\_\_No. (If yes, Orders are attached as Exhibit "C".)
11. Do any field rules exist? \_\_\_\_\_ Yes \_\_\_\_\_ No (If yes, please attach a copy of the field rules as Exhibit "D".)
12. List the formation(s) (if unspaced) or common source(s) of supply (if spaced) which will be produced from the proposed well.  
\_\_\_\_\_
13. Is this an increased density well? \_\_\_\_\_ Yes \_\_\_\_\_ No (If yes, list Cause No. or if pending, the Cause No.) \_\_\_\_\_
14. Will the well be drilled to a depth sufficient to produce the formations named?  
\_\_\_\_Yes \_\_\_\_No
15. FOR DIRECTIONAL WELLS ONLY:  
(a) Is an Interim Order being requested? \_\_\_\_Yes \_\_\_\_No  
(b) Will the bottom hole location be determined for the Final Order? \_\_\_\_Yes \_\_\_\_No
16. Who should be designated as the operator of the proposed well?\_\_\_\_\_
17. Will the granting of this Application prevent waste and protect correlative rights?  
\_\_\_\_\_ Yes \_\_\_\_\_ No

THE ABOVE AND FOREGOING IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

FURTHER AFFIANT SAYETH NOT.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
Notary Public

My Commission Expires:\_\_\_\_\_

No.\_\_\_\_\_

EXHIBIT "A"  
NOTICE

I, \_\_\_\_\_, have testified previously before the Commission and have had my credentials accepted with respect to matters regarding land and mineral ownership. The required Notice of Publication has been filed with the Court Clerk of the Commission. With respect to the parties who are entitled to Notice in this matter, I have listed below the names of those who have received Notice of this cause. With respect to those parties that could not be found, I have attached forms listing the names of the parties and the information reviewed to locate them. I believe that the steps taken to locate these parties satisfies the requirement of due diligence.

Attachment for Exhibit "A"

Name: \_\_\_\_\_

In order to locate the person named above, I searched the following sources:  
(Please check all items that apply)

- \_\_\_\_\_ The land records located in the County Clerk's office of the County where the well is located.
- \_\_\_\_\_ The records of the Court Clerk of the County of the where the well is located.  
(To include probate records)
- \_\_\_\_\_ The telephone books of all cities located in the county where the well is located.
- \_\_\_\_\_ The following internet sites: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- \_\_\_\_\_ Tax records of \_\_\_\_\_ County.
- \_\_\_\_\_ Records of the Oklahoma Secretary of State.
- \_\_\_\_\_ Records of the Oklahoma Corporation Commission.
- \_\_\_\_\_ Other \_\_\_\_\_

EXHIBIT "B"  
*PROPOSED LOCATION*

T5N-R29E, Big County Oklahoma

Jones Oil 3-5N-29E	2-5N-29E	1-5N-29E
10-5N-29E	11-5N-29E  X Proposed Location	12-5N-29E
15-5N-29E	Ace Prod. Co. 14-5N-29E	13-5N-29E

OKLAHOMA CORPORATION COMMISSION  
P. O. BOX 52000  
OKLAHOMA CITY, OK 73152-2000

**AFFIDAVIT FOR INCREASED DENSITY**

Cause CD No. \_\_\_\_\_

Applicant: \_\_\_\_\_ Operator No. \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_, State: \_\_\_\_\_, Zip: \_\_\_\_\_

Legal Description: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF OKLAHOMA    )  
  ) SS.  
COUNTY OF \_\_\_\_\_ )

I, the undersigned, being duly sworn and upon oath, state as follows:

1. Has the Applicant authorized the Affiant to testify to matters in this Affidavit?  
\_\_\_\_ Yes \_\_\_\_ No
2. Has the Affiant testified before the Commission before and have their credentials been accepted with respect to matters regarding land and mineral ownership?  
\_\_\_\_ Yes \_\_\_\_ No
3. Does the Applicant have the right to drill and operate wells in the State of Oklahoma? \_\_\_\_ Yes \_\_\_\_ No
4. Does the Applicant have the current right to drill in the subject unit? \_\_\_\_ Yes \_\_\_\_ No
5. Notice: Attached as Exhibit "A".
6. Any amendments/dismissals to the original application? \_\_\_\_ Yes \_\_\_\_ No  
If yes, explain. \_\_\_\_\_

THE ABOVE AND FOREGOING IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

FURTHER AFFIANT SAYETH NOT.

\_\_\_\_\_  
Name Title  
Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_ No. \_\_\_\_\_

STATE OF OKLAHOMA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

I, the undersigned, being duly sworn and upon oath, state as follows:

1. Has the Applicant authorized the Affiant to testify to matters in this Affidavit?  
\_\_\_\_ Yes \_\_\_\_ No
2. Has the Affiant testified before the Commission before and have their credentials been accepted with respect to matters regarding geology?  
\_\_\_\_ Yes \_\_\_\_ No
3. List the common source(s) of supply for which the Increased Density is sought.  
\_\_\_\_\_  
\_\_\_\_\_
4. What is the size of the subject drilling and spacing unit(s)? \_\_\_\_\_
5. Identify existing wells in the subject unit which produce or have produced from the common source(s) of supply and the cumulative production history of unit wells and offset unit wells which produce or have produced from the same common source(s) of supply. See Exhibit "B".
6. Identify all offset operators of wells in adjoining units that produce from the same zones covered by the application. See Exhibit "B"
7. Describe the characteristics of the common source(s) of supply in the subject drilling and spacing unit. (Attach all supporting maps and documents as Exhibit "C".) \_\_\_\_\_  
\_\_\_\_\_

THE ABOVE AND FOREGOING IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

FURTHER AFFIANT SAYETH NOT.

\_\_\_\_\_  
Name Title  
Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_ No. \_\_\_\_\_

STATE OF OKLAHOMA )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

I, the undersigned, being duly sworn and upon oath, state as follows:

1. Has the Applicant authorized the Affiant to testify to matters in this Affidavit?  
\_\_\_ Yes \_\_\_ No
2. Has the Affiant testified before the Commission before and have their credentials been accepted with respect to matters regarding engineering and reservoir characteristics?  
\_\_\_ Yes \_\_\_ No
3. Describe the drainage pattern for the existing unit well(s). (Attach all supporting maps and documents as Exhibit "D" for review)  
\_\_\_\_\_  
\_\_\_\_\_
4. How will the unit allowable be shared by the proposed increased density well?  
\_\_\_\_\_
5. What will be the predominant hydrocarbon produced? \_\_\_\_\_
6. Is the proposed increased density well necessary to recover reserves that would not be economically and efficiently recovered by the existing well or wells in the same common source of supply? \_\_\_ Yes \_\_\_ No
7. Will the increased density well be economical? \_\_\_ Yes \_\_\_ No



8. Are any other orders of the Commission to be incorporated in this matter?  
 \_\_\_\_\_ Yes \_\_\_\_\_ No. (If yes, Orders are attached as Exhibit "E".)
9. Do any field rules exist? \_\_\_\_\_ Yes \_\_\_\_\_ No (If yes, please attach a copy of the field rules as Exhibit "F".)
10. State the change of condition or change in knowledge of condition that supports the need for the proposed increased density well.  
 \_\_\_\_\_
11. Will the proposed well prevent waste and protect correlative rights?  
 \_\_\_\_\_ Yes \_\_\_\_\_ No
12. Who should be designated operator of the proposed increased density well?  
 \_\_\_\_\_

THE ABOVE AND FOREGOING IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

FURTHER AFFIANT SAYETH NOT.

\_\_\_\_\_  
 Name Title

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
 My Commission Expires: \_\_\_\_\_ Notary Public No. \_\_\_\_\_

EXHIBIT "A"  
NOTICE

I, \_\_\_\_\_, have testified previously before the Commission and have had my credentials accepted with respect to matters regarding land and mineral ownership. The required Notice of Publication has been filed with the Court Clerk of the Commission. With respect to the parties who are entitled to Notice in this matter, I have listed below the names of those who have received Notice of this cause. With respect to those parties that could not be found, I have attached forms listing the names of the parties and the information reviewed to locate them. I believe that the steps taken to locate these parties satisfies the requirement of due diligence.

Attachment for Exhibit "A"

Name: \_\_\_\_\_

In order to locate the person named above, I searched the following sources:  
(Please check all items that apply)

\_\_\_\_\_ The land records located in the County Clerk's office of the County where the well is located.

\_\_\_\_\_ The records of the Court Clerk of the County of the where the well is located.  
(To include probate records)

\_\_\_\_\_ The telephone books of all cities located in the county where the well is located.

\_\_\_\_\_ The following internet sites: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Tax records of \_\_\_\_\_ County.

\_\_\_\_\_ Records of the Oklahoma Secretary of State.

\_\_\_\_\_ Records of the Oklahoma Corporation Commission.

----- Other \_\_\_\_\_

EXHIBIT "B"  
***EXISTING WELLS IN UNIT, PRODUCTION HISTORY AND  
 OFFSET OPERATORS***

T5N, R29E, Big County, Oklahoma

ABC Operating 3-5N-29E  x Acme #1 (production #s)	2-5N-29E	1-5N-29E
Jones Operating 10-5N-29E  x King 1-A (production #s)	11-5N-29E  x Ace #4 (production #s) x Proposed well	12-5N-29E
XYZ Oil Co. 15-5N-29E  x King 1-B (production #s)	14-5N-29E	13-5N-29E

## **SAMPLE ORDERS**

The applicant is responsible for submitted a proposed order and six copies to the administrative law judge. The following are sample orders developed from orders issued in actual applications. The sample orders are in a format which should be acceptable to the Administrative Law Judge. But note, the administrative law judge has the discretion to ask for special provisions where appropriate. If you have any questions on the requirements for orders, Commission staff counsel are available to assist you.

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT:	)	
	)	CAUSE CD NO.
RELIEF SOUGHT: INCREASED WELL	)	
DENSITY	)	
	)	
LEGAL DESCRIPTION:	)	ORDER NO. _____

**ORDER OF THE COMMISSION**

1. Hearing Date and Place:

2. Appearances: \_\_\_\_\_ appeared for the Applicant; and \_\_\_\_\_, Deputy General Counsel for Conservation, filed notice of appearance for the Commission.

3. 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 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:

5. Relief Requested: Applicant requests that an additional well be permitted for the unit described in the caption hereof and that the additional well be permitted to drill and produce.

6. Relief Granted: The requested relief is granted. The additional well will be for the unit described in the caption hereof and for the following common source(s) of supply:

Common Source of Supply

Order Number

7. Reason for Relief: The requested increased density well is necessary to effectively drain that portion of the named common source(s) of supply that will not be drained by the existing unit well(s). Unless the additional well is permitted, there will

remain hydrocarbons unrecovered by the existing unit well(s). The proposed well will be economical.

8. Allowable: If completed as an oil well, a \_\_\_\_\_-acre allowable shall be assigned to such well. If completed as a gas well, the well will share a unit gas allowable unless a separate allowable is authorized by appropriate application and order. In the event such well which shares a unit gas allowable is incapable of producing its share of the allowable, such excess allowable may be produced by the capable well.

9. Companion Causes:

10. Expiration of Order: Unless the well permitted hereby is commenced within one year of the date of this Order, the Order shall expire.

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

\_\_\_\_\_  
CHAIRMAN

\_\_\_\_\_  
VICE-CHAIRMAN

\_\_\_\_\_  
COMMISSIONER

DONE AND PEFORMED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

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

\_\_\_\_\_  
Administrative Law Judge

\_\_\_\_\_  
Date

\_\_\_\_\_  
Reviewer

\_\_\_\_\_  
Date



BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT:	)	
	)	CAUSE CD NO.
RELIEF SOUGHT: WELL LOCATION	)	
EXCEPTION	)	
	)	
LEGAL DESCRIPTION:	)	ORDER NO. _____
	)	

**ORDER OF THE COMMISSION**

1. Hearing Date and Place:

2. Appearances:            appeared for the Applicant; and           , Deputy General Counsel for Conservation, filed notice of appearance for the Commission.

3. 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 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:

5. Relief Requested: Applicant requests that it, or some other party owning the right to drill, be permitted to drill, complete and produce an oil and/or gas well as an off-pattern well on the unit described in the caption hereof.

6. Relief Granted: The requested relief is granted. The proposed well is authorized at the following location:

The well will be for the           -acre unit described above and for the following common source(s) of supply:

Common Source of Supply

Order Number

7. Reason for Relief: The well, at the location requested by Applicant, is necessary to effectively and efficiently drain a portion of the common source of supply covered by the drilling and spacing unit comprised of the land set out in the caption hereof, which cannot be adequately and efficiently drained by a well drilled at the permitted well location prescribed in the order listed above.

8. Allowable: The allowable for the well shall be

9. Companion Causes:

10. Expiration of Order: Unless the well permitted hereby is commenced within one year of the date of this Order, the Order shall expire.

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

\_\_\_\_\_  
CHAIRMAN

\_\_\_\_\_  
VICE-CHAIRMAN

\_\_\_\_\_  
COMMISSIONER

DONE AND PERFORMED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

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

\_\_\_\_\_  
Administrative Law Judge

\_\_\_\_\_  
Date

\_\_\_\_\_  
Reviewer

\_\_\_\_\_  
Date

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: )  
 ) CAUSE CD NO.  
RELIEF SOUGHT:ESTABLISH/EXTEND )  
SPACING )  
 )  
LEGAL DESCRIPTION: ) ORDERNO. \_\_\_\_\_

**ORDER OF THE COMMISSION**

1. Hearing Date and Place:

2. Appearances: appeared for the Applicant; and , Deputy General Counsel for Conservation, filed notice of appearance for the Commission.

3. 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 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:

5. Relief Requested:

5.1 Amendment of Previous Orders.

5.2 New Spacing Requested.

5.3 Extension of Previous Order(s). Drilling and spacing units were previously established by the Commission for the following common sources of supply and the development or the trend of development indicates that such common sources of supply also underlies the additional land described as Section , Township , Range , County, Oklahoma. The drilling and spacing units requested by Applicant for such common sources of supply should be established by enlarging the adjacent area covered by the previous orders, to wit:

Common Source of Supply   Depth                      Classification                      Unit Size                      Order Extended

6.     Relief Granted: The requested relief is granted.

6.1. That all royalty interests within each drilling and spacing unit are pooled and unitized and each royalty owner shall share in the one-eighth of all 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.

6.2. 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 develop the drilling and spacing unit as a unit, their rights and equities shall be pooled and adjudicated as provided in subsection e, Section 87.1, Title 52, O.S.

6.3. 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 therefore in accordance with Section 87.1, Title 52, O.S.

7.     Size and Shape of Unit(s): The                      -acre unit(s) established hereby shall consist of:

8.     Location of Unit Wells: The unit well for the                      -acre unit(s) established hereby shall be located as follows:

9.     Companion Causes:

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

\_\_\_\_\_  
CHAIRMAN

\_\_\_\_\_  
VICE-CHAIRMAN

\_\_\_\_\_  
COMMISSIONER

DONE AND PEFORMED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

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

\_\_\_\_\_  
Administrative Law Judge

\_\_\_\_\_  
Date

\_\_\_\_\_  
Reviewer

\_\_\_\_\_  
Date\

# **SAMPLES**

## **COMPLETED SPACING PACKET INCLUDING APPLICATION, NOTICE AND ORDER**

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: JOE OPERATOR )  
 )  
RELIEF SOUGHT: ESTABLISH SPACING ) CAUSE CD NO.  
 )  
LEGAL DESCRIPTION: SECTION 21, )  
TOWNSHIP 16 NORTH, RANGE 19 WEST, )  
DEWEY COUNTY, OKLAHOMA )

**APPLICATION FOR OPTIONAL PROCEDURE  
PURSUANT TO OAC 165:5-13-3-3.1**

1. Parties.

1.1 Applicant: Joe Operator  
Address: 123 Main Street  
Dewey, OK 74833  
Telephone: (580) 123-4555  
  
Others: n/a

1.2 Staff Counsel  
Oklahoma Corporation Commission  
Jim Thorpe Building  
Oklahoma City, OK 73105

1.3 Applicant is the owner of the right to drill a well into and produce hydrocarbons from the separate common source(s) of supply, which the Applicant seeks to be spaced by this application.

1.4 Exhibit "A" lists the name and last-known address of each person or entity required by OAC 165:5-7-6, and/or other applicable law, to be provided notice of this application.

2. Allegations of Facts.

2.1 Evidence indicates that the captioned land is wholly or substantially underlain by the formation(s) named below. An order should be issued to establish the boundaries of such separate common sources(s) of supply so as to cover and include the captioned land, and proper drilling and spacing units should be formed for such separate common source(s) of supply in such section.

<u>Common Source of Supply</u>	<u>Size</u>	<u>Type (Oil/Gas)</u>
Hunton	640 Acre	Gas





BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: JOE OPERATOR )  
 )  
RELIEF SOUGHT: EXTEND SPACING ) CAUSE NO.: 200300000  
 )  
LEGAL DESCRIPTION: SECTION 21, )  
TOWNSHIP 16 NORTH, RANGE 19 )  
WEST, DEWEY COUNTY, OK

**NOTICE OF HEARING OF AN  
APPLICATION FOR OPTIONAL PROCEDURE  
PURSUANT TO OAC 165:5-13-3-3.1**

NOTICE IS HEREBY GIVEN that the Applicant in this cause is requesting that the Commission (set out the nature of the application and the relief sought).

NOTICE IS FURTHER GIVEN that the Applicant in this cause is requesting the following special relief: See 165:5-7-11(g), 165:5-7-20(e), 165:5-7-21(e) or 165:5-7-22(e).

NOTICE IS FURTHER GIVEN that this cause be set before an Administrative Law Judge for hearing, taking of evidence and reporting to the Commission.

NOTICE IS FURTHER GIVEN that this cause will be heard before an Administrative Law Judge on the conservation docket at the Corporation Commission, First Floor, Jim Thorpe State Office Building, 2101 North Lincoln Blvd, Oklahoma City, Oklahoma, at 08:30 on the 25th day of August, 2003, and that this notice be published as required by law and the rules of the Commission.

NOTICE IS FURTHER GIVEN that the Applicant and interested parties may present testimony by telephone. The cost of telephonic communication shall be paid by the person or persons requesting its use. Interested parties who wish to participate by telephone shall contact the Applicant or Applicant's attorney, prior to the hearing date, and provide their name and phone number.

NOTICE IS FURTHER GIVEN for information concerning this action, contact (Name of Attorney--not firm name; or individual signing the application), (Address), (City), (State), (phone number).

OKLAHOMA CORPORATION COMMISSION

---

Chairman

---

Vice Chairman

---

Commissioner

DONE AND PERFORMED this 5th day of July, 2003.

BY ORDER OF THE COMMISSION:

---

Secretary of the Commission

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: JOE OPERATOR )  
 )  
RELIEF SOUGHT: EXTEND SPACING ) CAUSE NO.: 200300000  
 )  
LEGAL DESCRIPTION: SECTION 21, )  
TOWNSHIP 16 NORTH, RANGE 19 WEST, )  
DEWEY COUNTY, OK )

**ORDER OF THE COMMISSION**

1. Hearing Date and Place:
2. Appearances: Joe Operator appeared for the Applicant; and Fred Smith, Deputy General Counsel for Conservation, filed notice of appearance for the Commission.
3. 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 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: Establish Spacing
  - 5.1 Amendment of Previous Orders. None
  - 5.2 New Spacing Requested. 640 Acre Gas Spacing
  - 5.3 Extension of Previous Order(s). Drilling and spacing units were previously established by the Commission for the following common sources of supply and the development or the trend of development indicates that such common sources of supply also underlies the additional land described as Section 21, Township 16 North, Range 19 West, Dewey County, Oklahoma. The drilling and spacing units requested by Applicant for such common sources of supply should be established by enlarging the adjacent area covered by the previous orders, to wit:

Order

<u>Common Source of Supply</u>	<u>Depth</u>	<u>Classification</u>	<u>Unit Size</u>
Hunton	8,000	Gas	640

6. Relief Granted: The requested relief is granted.

6.1. That all royalty interests within each drilling and spacing unit are pooled and unitized and each royalty owner shall share in the one-eighth of all 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.

6.2. 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 develop the drilling and spacing unit as a unit, their rights and equities shall be pooled and adjudicated as provided in subsection e, Section 87.1, Title 52, O.S.

6.3. 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 therefore in accordance with Section 87.1, Title 52, O.S.

7. Size and Shape of Unit(s): The 640-acre unit(s) established hereby shall consist of: the governmental section consisting of Section 21, Township 16 North, Range 19 West, Dewey County, OK.

8. Location of Unit Wells: The unit well for the 640-acre unit(s) established hereby shall be located as follows:

No closer than 1,320 feet to the unit boundary

9. Companion Causes: None

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

\_\_\_\_\_  
CHAIRMAN

\_\_\_\_\_  
VICE-CHAIRMAN

\_\_\_\_\_  
COMMISSIONER

DONE AND PEFORMED this 25th day of August, 2003.

\_\_\_\_\_  
Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

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

\_\_\_\_\_  
Administrative Law Judge

\_\_\_\_\_  
Date

\_\_\_\_\_  
Reviewer

\_\_\_\_\_  
Date

## **DISCLAIMER**

**EXCEPT FOR THE SPECIFIC REFERENCES TO FORMALLY ADOPTED COMMISSION RULES, THE SUGGESTIONS CONTAINED HEREIN ARE NOT CORPORATION COMMISSION RULES. THIS DOCUMENT IS INTENDED AS AN AID TO THOSE APPLICANTS WHO ELECT TO UTILIZE THE OPTIONAL HEARING PROCEDURE FOR SPACING-RELATED APPLICATIONS.**

# **APPENDIX**

## **APPLICABLE OIL AND GAS STATUTES AND RULES**



**165:5-7-1. General application and notice requirements**

(a) **Scope.** Except where otherwise specifically provided in this Subchapter, including the Petroleum Storage Tank Division at OAC 165:5-21-3, the provisions of this Section shall govern the commencement of a cause filed with the Commission and over which the Commission may exercise jurisdiction, including applications for declaratory rulings as to the applicability of any rule or order of the Commission.

(b) **Form.** Every cause shall be commenced by:

- (1) An application.
- (2) A complaint.
- (3) An order of the Commission commencing a cause.

(c) **Caption.** The application or complaint shall be headed by a caption, which shall contain:

- (1) The heading, "Before the Corporation Commission of Oklahoma".
- (2) The applicant.
- (3) The relief sought. In the case of a conservation docket or pollution docket cause, the statement shall contain the legal description of the lands involved in the cause.
- (4) The docket and cause number.
- (5) The title of the document.
- (6) In the case of an enforcement docket cause, the caption shall contain the name(s) of the respondent(s).

(d) **Body.** The body of the application or complaint shall consist of five numbered paragraphs, if applicable, as follows:

- (1) **Applicants and respondents identified.** The applicant shall be identified, including name, address, and telephone number of his attorney or designated representative and the nature of the applicant's interest in the subject matter of the cause; and the name and address of each person (if any) named as respondent.
- (2) **Allegation of facts.** The allegation of fact stated in the form of ultimate facts, without unnecessary detail, upon which the right to relief is based. The allegations will be stated in numbered subparagraphs as necessary for clarity.
- (3) **Legal authority.** Citations of statutes, rules, orders, and decided cases authorizing the relief sought; including, in the case of a complaint, the laws, rules, regulations, or orders alleged to have been violated. Statutes shall be cited by title and section. Rules and orders of the Commission shall be cited by number. Decided cases shall be cited by citation to official reports. Quotations from legal authorities shall not be required.
- (4) **Relief sought.** A brief statement of the provisions of the order, authority, or other relief sought. An application relating to oil and gas conservation shall seek only one type of relief. Formal prayer for relief shall not be required.
- (5) **Specify order to be affected.** An application to vacate, alter, modify, or amend an order shall state the specific order in the body which is sought to be vacated, altered, modified, or amended.

(e) **Certification.** The application shall be signed by the applicant, or an authorized agent of the applicant, or by the attorney for the applicant, and shall set out the address and telephone number of the person so signing it. The person signing the application shall be deemed, on signing same, to be certifying that:

- (1) He has read the application.

(2) To the best of his knowledge, information, and belief formed after reasonable inquiry the facts and allegations contained in the application are true and correct.

(3) The application is not filed to harass or to cause unnecessary delay or needless expense.

(f) **Manner of service.** A document may be served on a party of record by regular mail or in person, except where the rules of this Subchapter or a statute requires a specific mode of service, which shall be followed. Service on a corporation may be by delivery to the registered corporate agent, or by delivery to the principal place of business of the corporation. For purposes of this Section, a corporation may designate its principal place of business by filing a notice thereof with the Court Clerk. When an attorney has appeared of record for a person, all subsequent service shall be on the attorney. Service by mail shall be complete on the date of mailing except where otherwise provided in this Subchapter; provided, that a person may be granted appropriate relief upon showing that a document so served was not received, or delivery thereof was delayed.

(g) **Service of an application.** Except as hereinafter provided in this Subchapter, every application and notice of hearing stating the date on which the cause is set for hearing in which a person is named a respondent shall be served by regular mail on each respondent named therein and Commission staff counsel by the person filing the application. Thereafter, every document shall be served by the person filing it by regular mail upon all parties of record or, where the record has not been opened, upon the applicant and all named respondents.

(h) **Certificate of service.** Except where an affidavit of mailing is required by law or by this Subchapter, a certificate of service shall be filed following or with the filing of every document. The certificate of service shall contain a list of the persons served and the certification that on the date stated a copy of the document was mailed, postage prepaid, or delivered to each person listed.

(i) **Service not jurisdictional.** Service prescribed by the rules of this Subchapter shall not be jurisdictional except where so provided by the Constitution or by statute. Failure to comply with the provisions of this Section as to mailing and service of notice shall not deprive the Commission of jurisdiction of the application or complaint, but shall be grounds for such appropriate relief as the Commission may order.

(j) **Publication of notice.** Every application, except as determined by the Secretary of the Commission or as provided in this Chapter for motor carrier applications, shall be accompanied by a notice of hearing, which date shall be set by the Commission. The notice of hearing shall be published as provided in the rules of this Subchapter.

(k) **Signatures.** The notice of hearing of an application shall be signed by the Secretary certifying to the Commissioners' signatures.

(l) **Content of notice.** The notice shall specify:

(1) The time, date, and place of hearing.

(2) Briefly the general nature of the order, rule, regulation or other relief sought.

(3) In oil and gas causes, where applicable, the names or description of all common sources of supply affected by the order sought; or that the entire state would be affected.

(4) Who to contact for additional information.

(m) **Form of notice.** The notice for all oil and gas causes shall conform substantially to the form shown in Appendix A to this Chapter.

(n) **Notice by publication.**

- (1) When a cause other than an oil and gas or Petroleum Storage Tank Division cause is commenced, the applicant shall cause the notice of hearing prescribed in (j) through (l) of this Section to be published in one or more newspapers of general circulation, on dates and for periods as required by law, or this Subchapter, or as the Commission shall order.
  - (2) In oil and gas causes, unless otherwise provided in this Subchapter, the notice of hearing shall be published one time at least fifteen (15) days prior to the hearing in a newspaper of general circulation published in Oklahoma County, Oklahoma and in a newspaper of general circulation published in each county in which the lands embraced in the application are located.
  - (3) Publication shall be at the expense of the applicant, and shall be made in a newspaper which has met the statutory requirements for publication of legal notices. Written proof of publication shall be filed in the cause.
  - (4) Proof of publication shall be established by an original proof of publication.
- (o) **Effective date prior to date of issuance of order.** No order may be made effective prior to its date of issuance without evidence placed into the record that the approval of such effective date is necessary. An effective date prior to the date of issuance of the order shall be requested in the application and placed in the special relief paragraph of the notice of hearing.

[Source: Amended at 9 Ok Reg 2323, eff 6-25-92; Amended at 10 Ok Reg 2591, eff 6-25-93; Amended at 12 Ok Reg 2005, eff 7-1-95; Amended at 16 Ok Reg 2816, eff 1-25-99 (emergency), 7-15-99 (final)]

### PART 3. OIL AND GAS

#### **165:5-7-6. Drilling and spacing unit establishment or modification**

- (a) Notice of hearing relating to drilling and spacing units shall be published one time at least fifteen (15) days prior to the hearing in a newspaper of general circulation published in Oklahoma County, Oklahoma, and in a newspaper of general circulation published in each county in which lands embraced in the application are located.
- (b) When an applicant proposes to establish, vacate, alter, modify, amend, or extend a drilling and spacing unit, the application and notice shall be served by the applicant no less than fifteen (15) days prior to the date of the hearing, by regular mail, upon each person or governmental entity having the right to participate in production from the proposed drilling and spacing unit or the existing drilling and spacing unit.
- (c) A plat or plats shall be attached to each application for an order to establish a drilling and spacing unit or units or to extend existing spacing within a common source or sources of supply, which plat shall show the spacing units requested together with any spacing units abutting or overlapping the area to be spaced, and any abutting spacing units in all spaced formations. An amended plat shall be provided at the time of the hearing in the event drilling and spacing units have been established after the application was filed and prior to the hearing to reflect the status of the spacing at the time of the hearing.
- (d) An application to extend spacing from an adjacent drilling and spacing unit shall state in the body of the application the most recent order number that created the spacing in the adjacent unit that applies to the common sources of supply which are sought to be extended

by the application. Such request to extend spacing and citation to the most recent order number shall be placed in the special relief paragraph of the notice of hearing.

(e) Where a well has not been commenced to or completed in the common source of supply sought to be spaced, notice of hearing for an order to vacate, alter, amend, extend, or change a prior spacing order shall be served and published as required in (a) of this Section. Such request to vacate, alter, amend, extend, or change a prior spacing order shall be placed in the special relief paragraph of the notice of hearing.

(f) Where two or more orders have issued spacing a common source of supply and such spacing orders have resulted in there being a conflict either as to the size of the unit or as to a common source of supply or a conflict as to the nomenclature of the common source of supply, then the applicant seeking to vacate, alter, amend, or change one of the prior spacing orders shall either file an application to construe and modify the conflicting orders or may amend a relevant application to accomplish the same result. Notice of hearing shall be served and published as required upon the commencement of a proceeding.

(g) The Commission may issue an order establishing horizontal well units for a common source of supply. The order shall be in effect for a period of twelve (12) months from the date of issuance and shall automatically expire at the end of the twelve (12) month period unless:

(1) Operations for a horizontal well are being conducted, in which case the order shall expire thirty (30) days after completion of operations.

(2) Form 1002A has been filed with the Commission.

(3) The order has been previously voided by written request of the applicant.

(4) A request seeking an extension of time has been submitted.

(h) No order of the Commission authorizing a horizontal well unit which includes any existing well or portion of any drilling and spacing unit producing from the same common source of supply will become effective until fifty percent (50%) of the ownership having a right to drill in each of such well and/or drilling and spacing unit consents in writing to the horizontal well unit by filing such written consent with the Court Clerk of the Commission in each such cause. The written consent to the order shall not be a waiver of, nor commitment of, any rights of such owners in either the existing production or the proposed horizontal well unit.

[Source: Amended at 10 Ok Reg 2591, eff 6-25-93; Amended at 14 Ok Reg 2474, eff 7-1-97]

### **165:5-7-9. Well location exception**

(a) Notice of hearing for an order authorizing a well to be drilled for oil or gas into any common source of supply at a requested location therein other than that prescribed by a rule or order of the Commission shall be served by the applicant no less than fifteen (15) days prior to the date of the hearing, by regular mail upon the operator of each well located in an adjoining or cornering tract of land or drilling and spacing unit, currently producing from the same common source of supply, toward which the well location is proposed to be moved and the same notice also shall be required if the requested well location would be closer to the wells producing from those adjoining or cornering tracts of land or drilling and spacing units than would be permitted at a legal location. Provided, however, if the applicant, or any entity to be named operator of the requested well location, is the operator of any of the wells in an adjoining or cornering tract of land or drilling and spacing unit, identified herein

above, then the applicant shall serve each working interest owner in such well by regular mail. All applications and notices for location exception shall specify the surface location of the well, and if the well is to be directionally drilled, then the application and notice shall also include the intended bottom-hole location and the location of the well's entry into the common source of supply for which the location exception is requested, expressed in feet from the two nearest boundaries of the drilling and spacing unit, or, if no drilling and spacing unit has been established, from the two nearest boundaries of the mineral estate(s) upon which the well will be drilled. Provided that, at the time of hearing, the well's surface location, the location of the well's entry into the common source of supply, and/or the bottom-hole location, as set out in the notice of hearing, may be changed to another location which is not closer to the offsetting well or to the drilling and spacing unit or tract boundary described in the notice of hearing.

(b) If at the time of the hearing, the applicant does not have the results of the well survey required by 165:10-3-27, then the Administrative Law Judge shall hear the cause and recommend the issuance of an order granting or denying the application and, if granting the application, assess any penalties based on the potential locations of the common sources of supply for which the order is sought. All potential locations shall be considered in the order.

(c) In the event a well is directionally drilled as described by 165:10-3-27 at an off-pattern surface location, according to 165:10-1-21 and 165:10-1-24 for well locations for spaced and unspaced common sources of supply, with the intended bottom-hole location being a legal location, the operator shall comply with 165:10-3-27 regarding the well survey. If the well survey indicates the bottom-hole location of the well, upon its completion, is off-pattern, then the applicant shall file an application for location exception and provide notice in compliance with this Section.

(d) Notice of hearing for an order authorizing a well to be drilled for oil or gas at a location other than that prescribed by a rule or order of the Commission shall be published pursuant to 165:5-7-1(n)(2).

[Source: Amended at 10 Ok Reg 2591, eff 6-25-93; Amended at 14 Ok Reg 2474, eff 7-1-97]

#### **165:5-7-10. Increased well density**

##### **(a) Notice of hearing.**

(1) For increased well density applications, notice of hearing shall be served by the applicant no less than fifteen (15) days prior to the date of the hearing by regular mail upon:

(A) Each person or governmental entity entitled to oil or gas or the proceeds of oil or gas produced from the common source of supply in the drilling and spacing unit for which the application for an increased density well has been filed; and

(B) The operator, as shown by the records of the Commission, of each well which is commencing or currently producing from the same common source of supply in the drilling and spacing unit or any separate tract of land for which no drilling and spacing unit has been formed for such common source of supply adjoining, cornering or adjacent to the drilling and spacing unit for such an increased density well.

(2) If the applicant is the operator of a well commencing or currently producing from the same common source of supply applicable to the increased density well in a drilling and spacing unit or a separate tract of land for which no drilling and spacing unit has been

formed for such common source of supply adjoining, cornering or adjacent to the drilling and spacing unit for such increased density well, notice of hearing shall be served by the applicant no less than fifteen (15) days prior to the date of hearing by regular mail upon each owner, as shown by the records of the operator, with a working interest in such well in such common source of supply.

(3) If the applicant is seeking approval of an increased density well to be completed in a common source of supply for which the Commission has established field rules, and for which no application for an increased density well in such common source of supply has been approved by the Commission subsequent to January 1, 1998, and prior to June 21, 1999, notice of hearing shall be served by the applicant no less than fifteen (15) days prior to the date of hearing by regular mail upon the operator, as shown by the records of the Commission, of each well commencing or currently producing from that same common source of supply governed by the field rules.

(4) Where some person other than the applicant may be authorized to drill an increased density well, the notice shall so state.

(5) No person except for those persons provided for in this subsection shall be entitled to notice of the hearing on an application for approval of an increased density well in any drilling and spacing unit.

(b) **Publication of notice.** Notice of hearing for an increased density well shall be published pursuant to 165:5-7-1(n)(2). If the increased density well is to be completed in a common source of supply for which the Commission has established field rules and for which no application for an increased density well in such common source of supply has been approved by the Commission subsequent to January 1, 1998, and prior to June 21, 1999, notice of the hearing shall also be published one time at least fifteen (15) days prior to the hearing in a newspaper of general circulation published in each county in which the lands subject to the field rules are located.

(c) **Commingled production.** Where production from an original unit well has been commingled and the operator has failed to obtain a commingling order for that well, an increased density well shall not be produced from the commingled common sources of supply until such time that proof of a commingling order is entered at the hearing for increased density.

[**Source:** Amended at 10 Ok Reg 2591, eff 6-25-93; Amended at 14 Ok Reg 2474, eff 7-1-97; Amended at 17 Ok Reg 799, eff 12-28-99 (emergency); Amended at 17 Ok Reg 1853, eff 7-1-00]

### **165:5-13-3. Hearings**

(a) **Conduct of hearing.** Every hearing shall be conducted by the Commission or by an Administrative Law Judge. The Commission or Administrative Law Judge shall call the cause for hearing, after which proceedings shall be had as provided in this Section.

(b) **Scope of hearings.** The Commission or Administrative Law Judge may state the purpose and scope of the hearing, or the issues upon which evidence will be heard.

(c) **Appearances.** Every person appearing shall enter his appearance by stating his name and address. Thereafter, such person shall be deemed a party of record, unless specified otherwise. An individual may appear on his own behalf. A corporation may appear only by its attorney; provided, that a representative other than an attorney may appear on behalf of a corporation for the sole purpose of making a statement or indicting corporate policy. Such a representative may not assume an advocate's role or introduce evidence or examine witnesses in the proceeding.

(d) **Preliminary matters.** The following shall be addressed prior to receiving evidence:

(1) The applicant, or staff counsel, may offer preliminary exhibits, including documents necessary to present the issues to be heard, notices, proof of publication and orders previously entered in the cause.

(2) Ruling may be made on any pending motions, including requests pertaining to discovery.

(3) Stipulations of fact and stipulated exhibits shall be received. No stipulation, settlement, or agreement between the parties of record, their attorneys, or representatives with regard to any matter involved in any cause shall be enforced unless it shall have been reduced to writing and signed by the parties of record or the representatives authorized by the rules of this Chapter to appear for them and thereafter made a part of the record, or unless it shall have been dictated into the record by them during the course of a hearing or incorporated into an order bearing their written approval. This Section does not limit a party of record's ability to waive, modify, or stipulate any right or privilege afforded by the rules of this Chapter, unless precluded by law.

(4) Parties of record may, in the discretion of the Commission or Administrative Law Judge, make opening statements where appropriate.

(5) Any other preliminary matters appropriate for disposition prior to presentation of evidence.

(e) **Rules of evidence.** The Commission and Administrative Law Judges shall follow the rules of evidence applied in the district courts of Oklahoma, except that such rules may be relaxed where the Commission or the Administrative Law Judge deems it in the public interest to do so. The Commission or Administrative Law Judge may exclude evidence upon objection made thereto, or the evidence may be received subject to final ruling by the Commission. An exception will be deemed to be preserved by a party of record objecting to evidence upon an adverse ruling thereon. The Commission or Administrative Law Judge may exclude inadmissible evidence on his own motion and may direct cumulative evidence be discontinued.

(f) **Order of proof.** The applicant or complainant who institutes a cause shall open and close the proof. Staff counsel shall open and close a cause instituted by the Commission or a staff member. Intervenors shall be heard immediately following parties of record with whom allied in interest. In all cases, the Commission or Administrative Law Judge shall designate the order of proof.

(g) **Examination of witnesses.** Every witness shall be examined and cross-examined orally and under oath by not more than one attorney for each party of record. The Commission or Administrative Law Judge shall designate the order of examination and may limit the scope of examination and cross-examination.

(h) **Adverse party.** A party of record may call and adverse person or an officer or employee of an adverse person, in which case the witness may be impeached and otherwise cross-examined.

(i) **Record.** All testimony shall be taken on the record.

(j) **Prepared testimony.** Written testimony of a witness in form of questions and answers, or a narrative statement may be received in lieu of direct examination upon authentication by the witness under oath. In order to be received and relied upon at the hearing, such testimony and exhibits shall be filed and served upon all parties of record not less than five (5) days prior to the hearing, unless otherwise ordered by the Commission for good cause shown. The witness shall be subject to cross-examination. A written or oral statement by or a communication from any person, or a statement or resolution of a political subdivision, trade association, civic organization, or other organization may be received without cross-examination, but will be considered only as argument and not as proof of any recitation of facts contained therein.

(k) **Documents.**

(1) A photographic copy of a document which is on file as part of the official records of the Commission will be received without further authentication.

(2) A photographic copy of a public record certified by the official custodian thereof will be received without further authentication. A written statement by such custodian of records that no record or entry of described character is found in his records shall be received as proof of absence of such record.

(3) A photographic copy of a document may be substituted for the original at the time the original is offered in evidence.

(4) A document may not be incorporated in the record by reference except by permission of the Commission or Administrative Law Judge. Any document so received must be precisely identified.

(5) The Commission or Administrative Law Judge may require that documents such as rate compilations, statistical or technical data, and tabulated material be filed at a designated time prior to the hearing.

(6) The Commission or Administrative Law Judge may require that additional copies of exhibits be furnished for use by the Commission, staff counsel, and other parties of record.

(7) When evidence is offered which is contained in a book or document containing material not offered, the person offering the same shall extract or clearly identify the portion offered.

(8) The Commission or Administrative Law Judge may permit a party of record to offer a document as part of the record within a designated time after conclusion of the hearing.

(l) **Exhibits.** All exhibits shall be identified by docket and cause number prior to submitting to the Commission.

(m) **Summary exhibits.** An exhibit consisting of a compilation or summary of evidence, records, data, statistics, or other similar information may be received in evidence in addition to or in lieu of the evidence summarized, provided:



- (1) The evidence summarized has been admitted in evidence, or is admissible; and
- (2) If the evidence summarized has not been admitted, the person offering the summary exhibit has made the evidence summarized available for inspection by all other parties of record, or the information is published in a generally recognized publication which is available to all parties of record. It shall be the responsibility of a person offering a summary exhibit to comply with this subsection in advance of the hearing, and failure to make the evidence summarized available for inspection shall be grounds for refusal to admit the exhibit.
- (n) **Closing the record.** The record shall be closed when all parties of record have had an opportunity to be heard and to present evidence, and the Commission or Administrative Law Judge announces that the record of testimony and exhibits is closed. Unless a decision is then announced, the matter will be taken under advisement for later decision.
- (o) **Briefs.** The Commission or Administrative Law Judge may require or allow the filing of briefs by the parties of record, and may designate the order and time for filing briefs and reply briefs.
- (p) **Reopening the record.** Any person may file and serve, by regular mail, on all parties of record a motion to reopen the record for further hearing or to offer additional evidence. The Commission, at any time prior to final order in the cause, may, upon such motion or upon the motion of the Commission, order the record to be reopened for the purpose of taking testimony and receiving evidence which was not or could not have been available at the time of the hearing on the merits or for the purpose of examining its jurisdiction. A motion to reopen shall be filed and served in the same manner as provided in OAC 165:5-9-1(b). The motion and notice shall include a statement that if the Administrative Law Judge grants the motion, the record may be reopened the same day or on some other day as the Commission may determine.
- (q) **Corrections to transcript.** In all proceedings, an official reporter shall make a stenographic and electronic record of the hearing. Errors claimed to be in a transcription of either a contested or uncontested hearing shall be noted in writing and suggested corrections may be offered to the Commission or Administrative Law Judge who presided at such hearing within ten (10) days after the transcript is filed, unless the Commission or Administrative Law Judge shall permit suggested corrections to be offered thereafter. Suggested corrections shall be served in writing upon each party of record and the Commission or Administrative Law Judge. If not objected to within twelve (12) days after being offered, the Commission or Administrative Law Judge shall direct that such suggested corrections be made and the manner of making them. In the event that parties disagree on suggested corrections, the Commission or Administrative Law Judge, with the aid of argument and testimony from the parties of record, shall then determine the manner in which the record shall be changed, if at all.
- (r) **Preparation of report or order.** The Commission or Administrative Law Judge may permit or direct any party or parties of record to prepare a proposed report or order in any protested cause. In unprotested causes, the applicant shall prepare and submit a proposed Commission order.

[Source: Amended at 17 Ok Reg 2299, eff 7-1-00]

**165: 5-9-1(e). Default.** Any named respondent who fails to file response within the time specified shall be deemed in default, and the Commission or Administrative Law Judge may proceed to hear the cause without further notice to a person in default. Except as provided in OAC 165: 5-19-1, no applicant will by default of an adverse respondent be relieved from the burden of proving the material allegations of fact upon which his claim for relief is based.

[Source: Amended at 19 Ok Reg 1945, eff 7-1-2002]

**165: 5-9-2(e). Dismissal** The applicant may dismiss the application with or without prejudice at any time prior to the record being opened in said cause. Such dismissal shall not dismiss the cause as to affirmative relief sought by any respondent and, upon the appearance at the time of hearing of any respondent who has failed to receive notice of the dismissal or who has requested affirmative relief, such respondent may enter any evidence into the record and may be granted any relief which the Commission or Administrative Law Judge deems appropriate.

**Source:** Amended at 12 Ok Reg 2005, eff 7-1-95; Amended at 19 Ok Reg 1945, eff 7-1-02; Amended at 20 Ok Reg 2298, eff 7-15-03]

**165:5-13-3.1. Optional procedure for spacing related applications**

- (a) If no protest to a spacing related application is announced at docket call, an applicant for spacing, despadding, increased well density, or location exception may elect for consideration of the merits of the cause without a full evidentiary hearing. Such review of the cause shall be referred to as the optional procedure.
- (b) After electing the optional procedure, the applicant shall provide the Administrative Law Judge with a proposed order and documentation supporting the application. With respect to documentation, any written testimony shall be presented in the form of a sworn, notarized affidavit which shall be marked as exhibits and entered into the record.
- (c) The Administrative Law Judge shall prescribe the time period for completing the record and may request additional evidence as deemed appropriate.
- (d) After closing the record, the Administrative Law Judge shall have seven (7) business days in which to make a recommendation to the Commission concerning disposition of the application.
- (e) If the Administrative Law Judge's recommendation is unfavorable, the matter will be automatically set for a full evidentiary hearing before the same administrative law judge. Any appeal from the report issuing after the full evidentiary hearing will be proceed pursuant to OAC 165:5-13-5.

[Source: Added at 10 Ok Reg 2591, eff 6-25-93]

**165:5-15-1. General form and procedure**

(a) **Contents of orders.** The Commission may prescribe a standardized format for all orders. Every order of the Commission shall contain the following where appropriate or except where the Commission determines otherwise:

- (1) Caption, cause number on the appropriate docket and order number.
- (2) Appearances.
- (3) Date and place of all hearings.
- (4) Summary of allegations of applicant, and of all other parties of record.
- (5) Summary of evidence of applicant, and of all other parties of record.
- (6) Findings of fact, containing all ultimate facts found to have been established.
- (7) Conclusions of law, containing:
  - (A) All legal conclusions found to be applicable to the facts; and
  - (B) The directive of the order stated in concise and mandatory language.
- (8) Signature of the Secretary certifying as to all Commissioners participating in making the order.
- (9) Seal of the Commission.
- (10) Date of filing, and effective date where appropriate.

(b) **Duty to mail orders.** The Court Clerk shall immediately mail or deliver a copy of the order to the applicant and all parties of record. Except where otherwise specifically provided in this Chapter, the applicant shall thereafter mail a copy of the order within five (5) days of the receipt of the order to each respondent in the cause. Where an attorney has appeared of record for a person, service shall be on the attorney.

(c) **Effectiveness of order.** The issuance of or effectiveness of an order or its enforcement will not be stayed or postponed by the filing of any motion for rehearing or for other relief therefrom. The Commission may by order stay any order pending further hearing, and may stay or postpone the effective date thereof, or enforcement thereof for such time and on such terms as may be just.

(d) **Order titles and numbers.** An order of the Commission, descriptively titled, shall be issued for all motions and other matters set for hearing, except for continuances, and all such orders shall be given an order number.

[Source: Amended at 10 Ok Reg 2591, eff 6-25-93]

## Title 52. Oil and Gas

### Chapter 3

#### Section 87.1 - Common Source of Supply of Oil - Well Spacing and Drilling

##### Units

Whenever the production from any common source of supply of oil or natural gas in this state can be obtained only under conditions constituting waste or drainage not compensated by counterdrainage, then any person having the right to drill into and produce from such common source of supply may, except as otherwise authorized or in this section provided, take therefrom only such proportion of the oil or natural gas that may be produced therefrom without waste or without such drainage as the productive capacity of the well or wells of any such person considered with the acreage properly assignable to each such well bears to the total productive capacities of the wells in such common source of supply considered with the acreage properly assignable to each well therein.

(a) To prevent or to assist in preventing the various types of waste of oil or gas prohibited by statute, or any of said wastes, or to protect or assist in protecting the correlative rights of interested parties, the Corporation Commission, upon a proper application and notice given as hereinafter provided, and after a hearing as provided in said notice, shall have the power to establish well spacing and drilling units of specified and approximately uniform size and shape covering any common source of supply, or prospective common source of supply, of oil or gas within the State of Oklahoma; provided, that the Commission may authorize the drilling of an additional well or wells on any spacing and drilling unit or units or any portion or portions thereof or may establish, reestablish, or reform well spacing and drilling units of different sizes and shapes when the Commission determines that a common source of supply contains predominantly oil underlying an area or areas and contains predominantly gas underlying a different area or areas; provided further that the units in the predominantly oil area or areas shall be of approximately uniform size and shape, and the units in the predominantly gas area or areas shall be of approximately uniform size and shape, except that the units in the gas area or areas may be of nonuniform size and shape when they adjoin the units in the oil area or areas; provided further that the drilling pattern for such nonuniform units need not be uniform, and provided further that the Commission shall adjust the allowable production within said common source of supply, or any part thereof, and take such other action as may be necessary to protect the rights of interested parties. Any order issued pursuant to the provisions hereof may be entered after a hearing upon the petition of any person owning an interest in the minerals in lands embraced within such common source of supply, or the right to drill a well for oil or gas on the lands embraced within such common source of supply, or on the petition of the Conservation Officer of the State of Oklahoma. When such a petition is filed with the Commission, the Commission shall give at least fifteen (15) days' notice of the hearing to be held upon such petition by one publication, at least fifteen (15) days prior to the hearing, in some newspaper of general circulation published in Oklahoma County, and by one publication, at least fifteen (15) days prior to the date of the hearing, in some newspaper published in the county, or in each county, if there be more than one, in which the lands embraced within the application are situated. Except as to the notice of hearing on such a petition, the procedural requirements of

Sections 86.1 et seq. of this title, shall govern all proceedings and hearings provided for by this section.

(b) In case of a spacing unit of one hundred sixty (160) acres or more, no oil and/or gas leasehold interest outside the spacing unit involved may be held by production from the spacing unit more than ninety (90) days beyond expiration of the primary term of the lease.

(c) In establishing a well spacing or drilling unit for a common source of supply thereunder, the acreage to be embraced within each unit shall not exceed six hundred forty (640) acres for a gas well plus ten percent (10%) tolerance, unless a governmental section contains more than six hundred forty (640) acres in which case the unit may comprise the entire section. Provided, however, fractional sections along the state boundary line and within the townships along the boundary where the survey west of the Indian Meridian meets the survey east of the Cimarron Meridian may be spaced with adjoining section unit, and the shape thereof shall be determined by the Commission from the evidence introduced at the hearing, and the following facts, among other things, shall be material:

(1) The lands embraced in the actual or prospective common source of supply; (2) the plan of well spacing then being employed or contemplated in said source of supply; (3) the depth at which production from said common source of supply has been or is expected to be found; (4) the nature and character of the producing or prospective producing formation or formations; and (5) any other available geological or scientific data pertaining to said actual or prospective source of supply which may be of probative value to said Commission in determining the proper spacing and well drilling unit therefor, with due and relative allowance for the correlative rights and obligations of the producers and royalty owners interested therein.

The order establishing such spacing or drilling units shall set forth: (1) the outside boundaries of the surface area included in such order; (2) the size, form, and shape of the spacing or drilling units so established; (3) the drilling pattern for the area, which shall be uniform except as hereinbefore provided; and (4) the location of the permitted well on each such spacing or drilling unit. To such order shall be attached a plat upon which shall be indicated the foregoing information. Subject to other provisions of this act, Section 81 et seq. of this title, the order establishing such spacing or drilling units shall direct that no more than one well shall thereafter be produced from the common source of supply on any unit so established, and that the well permitted on that unit shall be drilled at the location thereon as prescribed by the Commission, with such exception as may be reasonably necessary where it is shown, upon application, notice and hearing in conformity with the procedural requirements of Sections 86.1 et seq. of this title, and the Commission finds that any such spacing unit is located on the edge of a pool and adjacent to a producing unit, or for some other reason that to require the drilling of a well at the prescribed location on such spacing unit would be inequitable or unreasonable. Whenever such an exception is granted, the Commission shall adjust the allowable production for said spacing unit and take such other action as may be necessary to protect the rights of interested parties.

Any well spacing or drilling unit for a common source of supply thereunder which exceeds six hundred forty (640) acres for a gas well plus ten percent (10%) tolerance or exceeds the

total amount of acreage contained in a governmental section, and is not in production or in the process of drilling development on the effective date of this act shall be de-spaced. However, fractional sections along the state boundary line and within the townships along the boundary where the survey west of the Indian Meridian meets the survey east of the Cimarron Meridian may be spaced with adjoining section unit, and the shape thereof shall be determined by the Commission.

(d) The Commission shall have jurisdiction upon the filing of a proper application therefor, and upon notice given as provided in subsection (a) above, to decrease the size of the well spacing units or to permit additional wells to be drilled within the established units, upon proper proof at such hearing that such modification or extension of the order establishing drilling or spacing units will prevent or assist in preventing the various types of wastes prohibited by statute, or any of said wastes, or will protect or assist in protecting the correlative rights of persons interested in said common source of supply, or upon the filing of a proper application therefor to enlarge the area covered by the spacing order, if such proof discloses that the development or the trend of development indicates that such common source of supply underlies an area not covered by the spacing order and such proof discloses that the applicant is an owner within the area or within a drilling and spacing unit contiguous to the area covered by the application. Except in the instance of reservoir dewatering as described herein, the Commission shall not establish well spacing units of more than forty (40) acres in size covering common sources of supply of oil, the top of which lies less than four thousand (4,000) feet below the surface as determined by the original or discovery well in said common source of supply, and the Commission shall not establish well spacing units of more than eighty (80) acres in size covering common sources of supply of oil, the top of which lies less than nine thousand nine hundred ninety (9,990) feet and more than four thousand (4,000) feet below the surface as determined by the original or discovery well in said common source of supply. In the instance of reservoir dewatering to extract oil from reservoirs having initial water saturations at or above fifty percent (50%), the Commission may establish drilling and spacing units not to exceed one hundred sixty (160) acres in size.

(e) The drilling of any well or wells into any common source of supply for the purpose of producing oil or gas therefrom, after a spacing order has been entered by the Commission covering such common source of supply, at a location other than that fixed by said order is hereby prohibited. The drilling of any well or wells into a common source of supply, covered by a pending spacing application, at a location other than that approved by a special order of the Commission authorizing the drilling of such well is hereby prohibited. The operation of any well drilled in violation of any spacing so entered is also hereby prohibited. When two or more separately owned tracts of land are embraced within an established spacing unit, or where there are undivided interests separately owned, or both such separately owned tracts and undivided interests embraced within such established spacing unit, the owners thereof may validly pool their interests and develop their lands as a unit. Where, however, such owners have not agreed to pool their interests and where one such separate owner has drilled or proposes to drill a well on said unit to the common source of supply, the Commission, to avoid the drilling of unnecessary wells, or to protect correlative rights, shall, upon a proper application therefor and a hearing thereon, require such owners to pool and develop their lands in the spacing unit as a unit. The applicant shall give all the



owners whose addresses are known or could be known through the exercise of due diligence at least fifteen (15) days' notice by mail, return receipt requested. The applicant shall also give notice by one publication, at least fifteen (15) days prior to the hearing, in some newspaper of general circulation published in Oklahoma County, and by one publication, at least fifteen (15) days prior to the date of the hearing, in some newspaper published in the county, or in each county, if there be more than one, in which the lands embraced within the spacing unit are situated. The applicant shall file proof of publication and an affidavit of mailing with the Commission prior to the hearing. All orders requiring such pooling shall be made after notice and hearing, and shall be upon such terms and conditions as are just and reasonable and will afford to the owner of such tract in the unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil and gas. The portion of the production allocated to the owner of each tract or interests included in a well spacing unit formed by a pooling order shall, when produced, be considered as if produced by such owner from the separately owned tract or interest by a well drilled thereon. Such pooling order of the Commission shall make definite provisions for the payment of cost of the development and operation, which shall be limited to the actual expenditures required for such purpose not in excess of what are reasonable, including a reasonable charge for supervision. In the event of any dispute relative to such costs, the Commission shall determine the proper costs after due notice to interested parties and a hearing thereon. The operator of such unit, in addition to any other right provided by the pooling order or orders of the Commission, shall have a lien on the mineral leasehold estate or rights owned by the other owners therein and upon their shares of the production from such unit to the extent that costs incurred in the development and operation upon said unit are a charge against such interest by order of the Commission or by operation of law. Such liens shall be separable as to each separate owner within such unit, and shall remain liens until the owner or owners drilling or operating the well have been paid the amount due under the terms of the pooling order. The Commission is specifically authorized to provide that the owner or owners drilling, or paying for the drilling, or for the operation of a well for the benefit of all shall be entitled to production from such well which would be received by the owner or owners for whose benefit the well was drilled or operated, after payment of royalty, until the owner or owners drilling or operating the well have been paid the amount due under the terms of the pooling order or order settling such dispute. No part of the production or proceeds accruing to any owner of a separate interest in such unit shall be applied toward payment of any cost properly chargeable to any other interest in said unit.

For the purpose of this section, the owner or owners of oil and gas rights in and under an unleased tract of land shall be regarded as a lessee to the extent of a seven-eighths (7/8) interest in and to said rights and a lessor to the extent of the remaining one-eighth (1/8) interest therein. Should the owners of separate tracts or interests embraced within a spacing unit fail to agree upon a pooling of their interests and the drilling of a well on the unit, and should it be established by final, unappealable judgment of a court of competent jurisdiction that the Commission is without authority to require pooling as provided for herein, then, subject to all other applicable provisions of this act, the owner of each tract or interest embraced within a spacing unit may drill on his separately owned tract, and the allowable production therefrom shall be that portion of the allowable for the full spacing unit as the area of such separately owned tract bears to the full spacing unit.


In the event a producing well or wells are completed upon a unit where there are, or may thereafter be, two or more separately owned tracts, each royalty interest owner shall share in all production from the well or wells drilled within the unit, or in the gas well rental provided for in the lease covering such separately owned tract or interest in lieu of the customary fixed royalty, to the extent of such royalty interest owner's interest in the unit. Each royalty interest owner's interest in the unit shall be defined as the percentage of royalty owned in each separate tract by the royalty owner, multiplied by the proportion that the acreage in each separately owned tract or interest bears to the entire acreage of the unit.

(f) Notwithstanding any provision of this section to the contrary, the Corporation Commission shall have jurisdiction upon the filing of a proper application therefor, and upon notice given as provided in subsection (a) above, to establish spacing rules for horizontally drilled oil wells whereby horizontally drilled oil wells may have well spacing units established of up to six hundred forty (640) acres plus tolerances and variances as allowed for gas wells pursuant to subsection C of this section. For purposes of this subsection a "horizontally drilled oil well" shall mean an oil well drilled, completed or recompleted in a manner in which the horizontal component of the completion interval in the geological formation exceeds the vertical component thereof and which horizontal component extends a minimum of one hundred fifty (150) feet in the formation. The Corporation Commission shall promulgate rules necessary for the proper administration of this subsection.

### ***Historical Data***

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Added by Laws 1947, p. 328, § 1, emerg. eff. April 29, 1947. Amended by Laws 1959, p. 217, § 1, emerg. eff. July 15, 1959; Laws 1963, c. 121, § 1, emerg. eff. June 3, 1963; Laws 1971, c. 246, § 1, emerg. eff. June 16, 1971; Laws 1977, c. 76, § 1, emerg. eff. May 25, 1977; Laws 1980, c. 33, § 1, emerg. eff. March 26, 1980; Laws 1982, c. 10, § 1, emerg. eff. March 15, 1982; Laws 1984, c. 58, § 1, emerg. eff. March 28, 1984; Laws 1985, c. 141, § 2; Laws 1988, c. 205, § 1, eff. Nov. 1, 1988; Laws 1990, c. 310, § 1, eff. Sept. 1, 1990; Laws 1992, c. 190, § 17, eff. July 1, 1993; Amended by Laws 2001, SB 532, c. 256 § 1, emerg. eff. May 23, 2001 ([superseded document available](#)).

 **Title 52. Oil and Gas**

 **Chapter 3**

 **Section 87.2 - Application Protests.**

A. Except as provided in subsection B of this section, only those persons, or the duly authorized agent, representative or attorney of those persons, who are mineral owners or owners of the right to drill a well for oil and gas on the lands embraced within the subject area of an application or the owners of correlative rights within the common source of supply or supplies embraced within an application to the extent such owners are directly affected by such application, shall be proper parties to:

1. protest any application to establish, reestablish, or reform a spacing unit,
2. protest any application requesting authority for an additional well or wells within an established spacing unit brought pursuant to the provisions of paragraph (a) or (d) of Section 87.1 of Title 52 of the Oklahoma Statutes, or
3. present testimony or evidence at any hearing arising thereunder or relating thereto.

B. No other person shall be entitled to notice of such proceeding or shall be entitled to appear as a party of record therein, except that the Corporation Commission may permit persons other than those specified in subsection A of this section leave to intervene in a proceeding upon a finding, based upon clear and convincing evidence, that such person has a substantial right intended to be protected by Section 87.1 of Title 52 of the Oklahoma Statutes which may adversely be affected by the outcome of such proceeding. Any finding required by this section shall be made by the Corporation Commission, sitting en banc, within ten (10) days of the filing of a motion to intervene by such person and such proceeding shall be stayed during such ten-day period.

C. At the end of each calendar quarter the Corporation Commission shall file a written report with the Office of the Governor, the Speaker of the Oklahoma House of Representatives, and the President Pro Tempore of the Oklahoma State Senate describing all such findings made by the Corporation Commission pursuant to this section during such period.

***Historical Data***

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Added by Laws 1988, c. 95, § 1, emerg. eff. April 1, 1988.

 **Title 52. Oil and Gas**

 **Chapter 3**

 **Section 87.3 - Petition of Application of Location Exception.**


A. When any petition or application is filed with the Corporation Commission for a location exception from any spacing or drilling unit, the Commission shall give notice of the hearing to be held upon such petition or application, as provided in Section 87.1 of Title 52 of the Oklahoma Statutes. Such notice shall specifically identify the proposed well location, by legal description, in order to give proper notice to owners of land adjacent to the proposed well location whether within or without the same spacing or drilling unit as such proposed well location.

B. If the location exception allows a proposed well location to be placed closer than one thousand three hundred twenty (1,320) feet to a section line for a gas well or closer than three hundred thirty (330) feet to a section line for an oil well, the notice specified in subsection A of this section shall identify, by legal description, the land sections adjacent to the area within the location exception.

*Historical Data*

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Added by Laws 1990, c. 310, § 2, eff. Sept. 1, 1990.

 **Title 52. Oil and Gas**

 **Chapter 3**

 **Section 87.5 - Applications for approval of increased density wells - Notice and hearing.**

A. When any application is filed with the Corporation Commission for approval of an increased density well in any drilling and spacing unit, notice of the hearing to be held upon such application shall be given by the applicant to:

1. Those persons, including government entities, entitled to oil or gas or the proceeds of oil or gas produced from the common source of supply in the drilling and spacing unit for which the application for an increased density well has been filed; and
2. The operator, as shown by the records of the Commission, of each well which is commencing or currently producing from the same common source of which is commencing or currently producing from the same common source of supply in the drilling and spacing unit or any separate tract of land immediately surrounding the drilling and spacing unit for such an increased density well.

B. If the applicant is seeking approval of an increased density well to be completed in a common source of supply for which the Commission has established field rules, and for which no application for an increased density well in such common source of supply has been approved by the Commission subsequent to January 1, 1998, and prior to the effective date of this act, notice shall also be given to the operator, as shown by the records of the Commission, of each well commencing or currently producing from that same common source of supply governed by the field rules.

C. If the applicant is the operator of a well commencing or currently producing from the same common source of supply applicable to the increased density well in a drilling and spacing unit or a separate tract of land immediately surrounding the drilling and spacing unit for such increased density well, notice shall also be given to each owner, as shown by the records of the operator, with a working interest in such well in such common source of supply.

D. The notices required by subsections A, B and C of this section shall be given by mailing by regular mail no less than fifteen (15) days prior to the date of the hearing.

E. No person except for those persons provided for in this section shall be entitled to notice of the hearing on an application for approval of an increased density well in any drilling and spacing unit.

F. The Commission shall require that notice of the hearing be published one time at least fifteen (15) days prior to the hearing in the newspaper of general circulation published in each county in which the lands embraced in the application are located. If the increased density well is to be completed in a common source of supply for which the Commission has established field rules and for which no application for an increased density well in such

common source of supply has been approved by the Commission subsequent to January 1, 1998, and prior to the effective date of this act, notice of the hearing shall also be published one time at least fifteen (15) days prior to the hearing in a newspaper of general circulation published in each county in which the lands subject to the field rules are located.

***Historical Data***

Added by Laws 1999, c. 3, § 1, eff. June 21, 1999.

## Title 52. Oil and Gas

### Chapter 3


#### Section 96 - Same - Verification of.

When by an order, rule or regulation of the Commission made in pursuance of this act, any report, statement, map or drawing duly verified, is required to be filed with the Commission or any other officer, by any firm, trust, association or corporation, such report, statement, map or drawing shall be verified by (a) such member, agent or employee of such firm, trust or association, and (b) such officer or officers, agent or employee of such corporation as shall be provided or required by order, rule or regulation of the Commission.


#### *Historical Data*

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Added by Laws 1933, c. 131, p. 284, § 13, emerg. eff. April 10, 1933.

 **Title 52. Oil and Gas**

 **Chapter 3**

 **Section 99 - Pleadings - Maps - Secretary of Commission - Filing.**


When under any provision of this act or of any order, rule or regulation made in pursuance of this act, any petition, motion, return, pleading, report, statement, map or drawing is required to be filed with the Commission, the same shall be deemed to be filed when filed with the Secretary of the Commission. Duplicate copies of all reports, statements, maps or drawings shall also be filed with the Proration Umpire. The original or any copy of any such reports, maps, drawings, statements or other documents duly certified by the Secretary of the Commission, when the contents thereof are material to the issues involved, shall be competent and admissible in evidence in any proceedings and hearings therein brought or had under the provisions of Section One (1) to Thirteen (13), inclusive, of this act; and any such original or certified copy thereof shall, in any proceeding upon complaint or prosecution as for contempt against any person for violation of this act or of any order, rule or regulation of the Commission, be competent and admissible in evidence to establish admissions against interest made by any defendant or defendants to such complaint or prosecution who filed or caused to be filed such report, map, drawing, statement or other document.

*Historical Data*

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Added by Laws 1933, c. 131, p. 286, § 16, emerg. eff. April 10, 1933.



 **Title 52. Oil and Gas**

 **Chapter 3**

 **Section 109 - Same - Verification - False - Punishment.**

Any person who shall verify under oath any report, map or drawing or other statement or document authorized or required by the provisions of this act, or by any order, rule or regulation of the Commission made under the provisions of this act to be filed with the Commission or with the Secretary of the Commission, or with any other officer, and who files or causes the same to be filed with the Secretary of the Commission or other officer, which states or contains any material matter which he knows to be false is guilty of the felony of perjury, and upon conviction thereof shall be punished by imprisonment in the State Penitentiary for not less than two (2) years, nor more than ten (10) years.

*Historical Data*

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Added by Laws 1933, c. 131, p. 291, § 26, emerg. eff. April 10, 1933; Amended by Laws 1997, c. 133, § 491, Effective Date Amended to July 1, 1999 by Laws 1998, c. 2 (First Extraordinary Session), §§ 23-26, effective June 19, 1998 ([superseded document available](#)); Amended by H.B. 1009X (1st Ex. Sess. 1999), § 356, emerg. eff. July 1, 1999 ([superseded document available](#)).

