

FINAL

RULE B-38 - ESTABLISHMENT OF FIELD RULES

- a) An application for public hearing for the purpose of establishing field rules, regulations, and well spacing and drilling units for a new reservoir or pool, except within the covered lands specified in General Rule B-43, shall be submitted to the Commission within six months after the initial completion of the discovery well in a pool or reservoir or after the drilling of three wells, whichever occurs first. Prior to receipt of an application, no further permits to drill more than three wells in the same source of supply in the exploratory area as defined by the Director shall be issued.

- b) Upon receipt by the Commission of an application for public hearing to establish field rules, regulations, well spacing, and drilling units for a reservoir, additional permits beyond the initial three wells may be issued to that reservoir or pool, provided the well permit applications comply with the drilling unit size and well location provision as contained in the application. Permits may continue to be issued until a hearing is held and a decision rendered.