RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET
NO. 03-0223735

IN THE CHESTERVILLE, N.W. (PACK)
FIELD, COLORADO COUNTY, TEXAS

FINAL ORDER
APPROVING THE APPLICATION OF JAMEX, INC.
FOR NEW FIELD DESIGNATION AND ADOPTION OF FIELD RULES
FOR THE CHESTERVILLE, N.W. (PACK) FIELD
COLORADO COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on February 11, 2000, the presiding examiner has made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the examiner's report and recommendation, the findings of fact and conclusions of law contained therein, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is ORDERED by the Railroad Commission of Texas that the application of Jamex, Inc. for a New Field Designation to be known as the Chesterville, N.W. (Pack) Field (No. 17556 500), Colorado County, Texas, be and it is hereby approved.

It is further ORDERED by the Railroad Commission of Texas that the following field rules be and are hereby adopted for the Chesterville, N.W. (Pack) Field.

RULE 1: The entire correlative interval from 10,660 to 12,170 feet as shown on the Induction Lithodensity Neutron log of the Jamex, Inc., Winterman "254" Lease Well No. 1, G.H. & H.R.R. Co., #33 Survey, Colorado County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Chesterville, N.W. (Pack) Field.

RULE 2: The daily allowable production of gas from individual wells completed in a non-associated gas reservoir of the subject field shall be determined by allocating the allowable production, after deductions have been made for wells which are incapable of producing their gas allowables, among the individual wells in the following manner:

TWENTY-FIVE percent (25%) of the total field allowable shall be allocated equally among all the individual proratable wells producing from this field.

SEVENTY-FIVE percent (75%) of the total field allowable shall be allocated among the
individual wells in the proportion that the deliverability of such well, as evidenced by the most recent G-10 test filed with the Railroad Commission bears to the summation of the deliverability of all proratable wells producing from this field.

It is further ORDERED that all overproduction for the Jamex, Inc. Winterman "254" Lease Well No. 1 in the Chesterville, N.W. (Pack) Field be and is hereby canceled as of the date of the Final Order.

Done this tenth day of March, 2000.

RAILROAD COMMISSION OF TEXAS

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Chairman Michael L. Williams

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Commissioner Charles R. Matthews

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Commissioner Tony Garza

ATTEST

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Secretary