

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL**

**OIL AND GAS DOCKET
NO. 03-0246855**

**IN THE SILVERSPoon (TEX SA1 SAND)
FIELD, MATAGORDA COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF
DEVON ENERGY PRODUCTION CO., L.P.
FOR NEW FIELD DESIGNATION
SILVERSPoon (TEX SA1 SAND) FIELD
MATAGORDA COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on April 17, 2006, 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 Devon Energy Production Co., L.P. for new field designation for its Emil J. Ottis Heirs Well No. 1 is hereby approved. The new field shall be known as the Silverspoon (Tex SA1 Sand) Field, ID No. 83662 800, Matagorda County, Texas.

RULE 1: The entire correlative interval from 16,218 feet to 16,529 feet as shown on the log of the Emil J. Ottis Heirs No. 1 (API No. 321 32033), L. Lasassier Survey, A-58, Matagorda County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Silverspoon (Tex SA1 Sand) 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:

FIVE percent (5%) of the field's total allowable shall be allocated equally among all the individual prorable wells producing from the field.

NINETY-FIVE percent (95%) of the field's total 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 the field.

It is further ordered by the Railroad Commission of Texas that the application of Devon Energy Production Co., L.P. for suspension of the allocation formula in the Silverspoon (Tex SA1 Sand) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Silverspoon (Tex SA1 Sand) Field drops below 100% of deliverability. If the market demand for gas in the Silverspoon (Tex SA1 Sand) Field drops below 100% of deliverability while the allocation formula is suspended, the operator shall immediately notify the Commission and the allocation formula shall be immediately reinstated.

Done this 16th day of May, 2006.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed
by OGC Unprotested Master Order
dated May 16, 2006)**