

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

**OIL AND GAS DOCKET
NO. 03-0256487**

**IN THE GIDDINGS, SOUTH
(EAGLEFORD) FIELD, BURLESON AND
BRAZOS COUNTIES, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF
APACHE CORPORATION
FOR A NEW FIELD DESIGNATION
GIDDINGS, SOUTH (EAGLEFORD) FIELD
BURLESON AND BRAZOS COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on May 14, 2008, 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 Apache Corporation for new field designation for its Santa Fe "A" Lease Well No. 2 is hereby approved. The new field shall be known as the Giddings, South (Eagleford) Field, Burleson and Brazos Counties, Texas, Field ID No. 34741 500.

It is further ordered that the following field rules are hereby adopted for the Giddings, South (Eagleford) Field, Burleson and Brazos Counties, Texas:

RULE 1: The entire correlative interval from 10,210 feet to 10,495 feet as shown on the Log of the Santa Fe "A" Lease Well No. 2 (API No. 42-051-32420), Burleson County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Giddings, South (Eagleford) 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 proratable wells producing from the field.

NINETY FIVE percent (95%) 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 by the Railroad Commission of Texas that the application of Apache Corporation for suspension of the allocation formula in the Giddings, South (Eagleford) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Giddings, South (Eagleford) Field drops below 100% of deliverability. If the market demand for gas in the Giddings, South (Eagleford) 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.

It is further ordered that Operators shall not be required to file Form P-15 or plats for wells in the field, except an as-drilled plat showing the path, penetration point and terminus of all drainholes in horizontal wells.

Done this 10th day of June, 2008.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed
by OGC Unprotested Master Order
dated June 10, 2008)**