

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

**OIL AND GAS DOCKET
NO. 04-0227795**

**IN THE BAFFIN BAY (FRIO LOWER)
FIELD, KENEDY COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF
MANTI OPERATING COMPANY
FOR NEW FIELD DESIGNATION AND FIELD RULES
KENEDY COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on April 5, 2001, 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 Manti Operating Company for new field designation for its Baffin Bay State Tract 65 Lease, Well No. 2 is hereby approved. The new field shall be known as the Baffin Bay (Frio Lower) Field, ID No.

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It is further ordered that the following rules shall be adopted for the Baffin Bay (Frio Lower) Field, Kenedy County, Texas.

RULE 1: The entire correlative interval from 12,310 feet to 13,650 feet as shown on the log of the Baffin Bay State Tract 65 Lease, Well No. 2, Baffin Bay State Tract 65 Survey, Kenedy County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Baffin Bay (Frio Lower) 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 deduction has been made for wells which are incapable of producing their gas allowable, among the individual wells in the following manner:

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

Effective this 24th day of April, 2001.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN MICHAEL L. WILLIAMS

COMMISSIONER CHARLES R. MATTHEWS

COMMISSIONER TONY GARZA

ATTEST:

Secretary