

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

**OIL AND GAS DOCKET
NO. 04-0260653**

**IN THE LOS GATOS SALVAJES (FRIO)
FIELD, KENEDY COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF NEWFIELD EXPLORATION COMPANY
FOR A NEW FIELD DESIGNATION AND TO ADOPT FIELD RULES
LOS GATOS SALVAJES (FRIO) FIELD
KENEDY COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on February 11, 2009, 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 Newfield Exploration Company for a new field designation for its John G. Kenedy, Jr. Lease, Well No. 1, is hereby approved. The new field shall be known as the Los Gatos Salvajes (Frio) Field (RRC Field No. 54954 500), Kenedy County, Texas.

It is further **ORDERED** that the following Field Rules are hereby adopted for the Los Gatos Salvajes (Frio) Field, Kenedy County, Texas:

RULE 1: The correlative interval from 15,149 feet to 16,695 feet measured depth as shown on the log for the Newfield Exploration Company - John G. Kenedy, Jr. Lease, Well No. 1, (API No. 42-261-31476), Kenedy County, Texas, shall be designated as the Los Gatos Salvajes (Frio) 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 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.

Done this 11th day of March, 2009.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures
affixed by OGC Unprotected Master
Order dated March 11, 2009)**