RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET
NO. 08-0229849

IN THE BLOCK 32 (WOLFCAMP) FIELD,
GLASSCOCK COUNTY, TEXAS

FINAL ORDER
APPROVING THE APPLICATION OF TEXACO E&P, INC.
FOR A NEW FIELD DESIGNATION AND
ADOPTING FIELD RULES
FOR THE BLOCK 32 (WOLFCAMP) FIELD
GLASSCOCK COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on November 28, 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 thereto, 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 Texaco E&P, Inc., for a New Field Designation to be known as the Block 32 (Wolfcamp) Field (No. 09376 900), Glasscock 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 Block 32 (Wolfcamp) Field.

RULE 1: The entire correlative interval from 7000 feet to 8036 feet as shown on the Compensated Neutron-Gamma Ray log of the Texaco E&P, Inc., Glasscock 'S' Fee Lease Well No. 6, Section 21, Block 32, T-5-S, T&P RR Co. Survey, Glasscock County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Block 32 (Wolfcamp) Field.

RULE 2: The daily oil allowable for each individual well in the subject field shall be determined by the sum total of the two following values:

a. Each well shall be assigned an allowable equal to the top yardstick allowable multiplied by 0.05; and

b. Each well shall be assigned an allowable equal to its potential based on the most recent W-10 test filed with the Commission multiplied by 0.95, provided that this value shall not exceed the top allowable established for a well having a proration unit containing the maximum acreage authorized exclusive of tolerance acreage multiplied by 0.95.

Done this twentieth day of December, 2001.
RAILROAD COMMISSION OF TEXAS

________________________
Chairman Michael L. Williams

________________________
Commissioner Charles R. Matthews

________________________
Commissioner Tony Garza

ATTEST:

________________________
Secretary