

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

**OIL AND GAS DOCKET
NO. 04-0222467**

**IN THE KELSEY (VXKBG. CONSOL.)
FIELD, BROOKS, HIDALGO, JIM HOGG
AND STARR COUNTIES, TEXAS**

**FINAL ORDER
COMBINING VARIOUS VICKSBURG FIELDS
ADOPTING A DESIGNATION OF KELSEY (VXKBG. CONSOL.) FIELD
FOR THE FIELD FORMED BY SUCH COMBINATION OF FIELDS
AND ADOPTING OPERATING RULES AND REGULATIONS
FOR THE KELSEY (VXKBG. CONSOL.) FIELD
BROOKS, HIDALGO, JIM HOGG AND STARR COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on September 30, 1999, 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 following fields, located in Brooks, Hidalgo, Jim Hogg and Starr Counties, Texas, be and are hereby consolidated into a new field to be known as the Kelsey (VXKBG. Consol.) Field (No. 48630 800):

COUNTY	OIL/GAS	FIELD NAME	FIELD NO.
BROOKS	OIL	ENCINITAS (V- 4-A)	29010 364
BROOKS	GAS	ENCINITAS (V- 4-B)	29010 416
BROOKS	GAS	ENCINITAS (VICKSBURG 7900)	29010 884
BROOKS	GAS	ENCINITAS, SE. (V-19-D)	29016 500
STARR	GAS	JAY SIMMONS (VKSBBG CAMP)	45897 232
STARR	OIL/GAS	JAY SIMMONS (24 - A&B)	45897 264
STARR	OIL/GAS	JAY SIMMONS (7200 VICKSBURG)	45897 726
STARR	GAS	JAY SIMMONS (8000)	45897 792

COUNTY	OIL/GAS	FIELD NAME	FIELD NO.
STARR	GAS	JAY SIMMONS (8700 VICKSBURG)	45897 924
STARR	OIL	JAY SIMMONS (6900)	45897 660
HIDALGO	GAS	JONES RANCH (VICKSBURG,F-2)	47195 500
HIDALGO	GAS	LA RUCIA (VICKSBURG, LO. Q)	50995 600
HIDALGO	GAS	LIPS RANCH (VICKSBURG)	53860 500
BROOKS	GAS	LIPS RANCH, NORTH (VICKSBURG)	53864 500
HIDALGO	GAS	MCALLEN RANCH, N (VICKSBURG, LO)	58748 500
HIDALGO	GAS	MCALLEN RANCH, N (VKSDBG.LO 14700)	58748 600
BROOKS	GAS	KELSEY, DEEP (FRIO 7250)	48631 024
BROOKS	OIL/GAS	KELSEY, DEEP (FRIO 7250, S)	48631 032
JIM HOGG	GAS	KELSEY, DEEP (VICKSBURG 7390)	48631 054
BROOKS	GAS	KELSEY, DEEP (ZONE V-6)	48631 055
BROOKS	GAS	KELSEY, DEEP (ZONE 24)	48631 868
BROOKS	GAS	KELSEY, DEEP (ZONE 24, C)	48631 869
BROOKS	GAS	KELSEY, DEEP (ZONE 24-K)	48631 870
BROOKS	GAS	KELSEY, DEEP (ZONE 25)	48631 872
BROOKS	GAS	KELSEY, DEEP (ZONE 25, W)	48631 875
BROOKS	GAS	KELSEY, DEEP (ZONE 25, W-II)	48631 877
BROOKS/ STARR	GAS	KELSEY, DEEP (ZONE 25-II)	48631 880
BROOKS	GAS	KELSEY DEEP (ZONE 25-II, LOWER)	48631 881
BROOKS	GAS	KELSEY, DEEP (ZONE 26-A)	48631 888
JIM HOGG / BROOKS	OIL	“ ”	48631 888
BROOKS	GAS	KELSEY, DEEP (ZONE 26-A, NE)	48631 896
STARR	GAS	KELSEY, DEEP (ZONE 26-B)	48631 904
BROOKS	GAS	KELSEY, DEEP (ZONE 28-H)	48631 912
BROOKS	GAS	KELSEY, DEEP (ZONE 42-H)	48631 916
BROOKS	GAS	KELSEY, DEEP (ZONE 42-H,L)	48631 917

COUNTY	OIL/GAS	FIELD NAME	FIELD NO.
BROOKS	GAS	KELSEY, DEEP (ZONE 42-H, U)	48631 918
BROOKS	OIL/GAS	KELSEY, DEEP (ZONE 60-H)	48631 920
BROOKS	GAS	KELSEY, DEEP (7200)	48631 981
STARR/ JIM HOGG	GAS	KELSEY, DEEP (7468)	48631 985
BROOKS	GAS	KELSEY, DEEP (ZONE 7-I)	48631 056
HIDALGO	GAS	KELSEY, EAST (12,000)	48632 500
STARR	GAS	KELSEY, S.(H-48)	48635 028
STARR	GAS	KELSEY, S. (ZONE 24-A & B)	48635 686
STARR	GAS	KELSEY, S. (ZONE 26-B, S.)	48635 730
STARR	OIL/GAS	KELSEY, S. (ZONE 26-A, S.)	48635 742
STARR	OIL	KELSEY, S. (ZONE 26-A, SE.)	48635 747
STARR	OIL	KELSEY, S. (ZONE 26-B, SE.)	48635 750
STARR	GAS	KELSEY, S. (7315 VKSBG.)	48635 916
STARR	GAS	KELSEY, SOUTH (ZONE 24-A&B, E)	48635 688
STARR	OIL	KELSEY, SOUTH (ZONE 24-C)	48635 700
STARR	GAS	KELSEY, SOUTH (ZONE 24-C, W)	48635 701
STARR	GAS	KELSEY, SOUTH (ZONE 25)	48635 708
STARR	GAS	KELSEY, SOUTH (ZONE 26)	48635 714
BROOKS/ STARR	GAS	KELSEY, SOUTH (ZONE 26-A)	48635 728
JIM HOGG	OIL	“ ”	48635 728
STARR	GAS	KELSEY, SOUTH (ZONE 27-A)	48635 751
STARR	GAS	KELSEY, SOUTH (7040 VKSBG.)	48635 914
STARR	OIL	KELSEY, SOUTH (7350 VKSBG)	48635 918
STARR	GAS	KELSEY, SOUTH (7410 VICKSBURG)	48635 920
STARR	GAS	KELSEY, SOUTH (7444)	48635 923
STARR	GAS	KELSEY, SOUTH (7450)	48635 924
STARR	GAS	KELSEY, SOUTH (7790 VKSBG)	48635 935

COUNTY	OIL/GAS	FIELD NAME	FIELD NO.
STARR	OIL/GAS	KELSEY, SOUTH (7800)	48635 938
STARR	GAS	KELSEY, SOUTH (7850 VKSBG)	48635 945
STARR	OIL	KELSEY, SOUTH (7900 SAND)	48635 952
STARR	GAS	KELSEY, SOUTH (8300)	48635 970
STARR	GAS	KELSEY, SOUTH (8400 VKSBG)	48635 976
STARR	GAS	KELSEY, SOUTH (8700 VKSBG)	48635 982
BROOKS	GAS	KELSEY, SE. (26-A, II, N.)	48636 100
STARR	GAS	KELSEY, SE. (26-A, V)	48636 110
STARR	GAS	KELSEY, SE. (26-L)	48636 120
BROOKS	GAS	KELSEY, S. E. (28-A)	48636 175
BROOKS	GAS	KELSEY, S.E. (28-B)	48636 180
STARR/ JIM HOGG	GAS	KELSEY, SE. (29-A)	48636 200
BROOKS	GAS	KELSEY, SE (29-A, N)	48636 203
STARR	GAS	KELSEY,S.E. (29-B)	48636 215
STARR	GAS	KELSEY, SE. (29-D)	48636 300
BROOKS	GAS	KELSEY, S.E. (29-D, N)	48636 350
BROOKS	GAS	KELSEY, SE. (29-D, II, N.)	48636 400
STARR/ BROOKS	GAS	KELSEY, SE. (30-B)	48636 500
STARR	GAS	KELSEY, SE. (30-D)	48636 600
STARR	GAS	KELSEY, S.E. (30-D, NE)	48636 607
BROOKS	GAS	KELSEY, SE. (30-F)	48636 615
STARR	GAS	KELSEY, SE (30-H)	48636 650
STARR/ BROOKS	GAS	KELSEY, SE. (31-A)	48636 700
HIDALGO	GAS	KELSEY, SE (31-A,V,S)	48636 710
BROOKS	GAS	KELSEY, SE. (31-D)	48636 800
BROOKS / STARR	GAS	KELSEY, SE. (33-A)	48636 900

COUNTY	OIL/GAS	FIELD NAME	FIELD NO.
BROOKS	GAS	KELSEY, SE.-NC (34-A)	48638 750

It is further **ORDERED** that field rules for the following fields, adopted under the following Final Orders, be and are hereby rescinded:

Kelsey, Deep (Frio 7250)	04-56,298	04/26/1966
Kelsey, S. (Zone 24-A&B)	04-71,419	02/20/1979
Lips Ranch (Vicksburg)	04-82,040	06/18/1984
	04-86,315	11/17/1986
Lips Ranch, North (Vicksburg)	04-82,039	05/21/1984
	04-86,314	11/17/1986
McAllen Ranch, North (Vicksburg, Lo. 14700)	04-73,508	09/04/1979

It is further **ORDERED** that the following fields be and are hereby deleted from the following orders adopted for multiple fields:

Kelsey, Deep (Zone 25)	04-69,542	08/21/1978
Kelsey, SE. (30-D)		
Kelsey, SE. (31-A)		
Kelsey, SE. (31-A, V-S)		
Kelsey, Deep (Zone 25-II)	04-67,250	05/31/1977
Kelsey, Deep (Zone 26-A, NE)		
Kelsey, Deep (Zone 60-H)		
Kelsey, Deep (Zone 7-I)		
Kelsey, South (Zone 26-A)		
Kelsey, South (Zone 26-A,S.)		
Kelsey, SE. (26-A,II,N.)		
Kelsey, SE. (26-A,V)		
Kelsey, SE. (28-A)		
Kelsey, SE. (29-D)		
Kelsey, SE. (30-B)		
Kelsey, South (Zone 26-A)	04-59,303	07/01/1969
Kelsey, South (Zone 26-A,S.)		
Kelsey, South (7800)		
Kelsey, South (7900 Sand)		

It is further **ORDERED** by the Railroad Commission that the following rules be adopted for the Kelsey (VXKBG. Consol.) Field:

RULE 1: The entire correlative interval from 8210 feet (top of Vicksburg) to 14,076 feet (top of Jackson Shale) as shown on the Induction-Electric log of the Humble Oil & Refining Company (now Exxon Corp.) McGill Brothers Lease Well No. 416, San Antonio Grant Survey, Hidalgo County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Kelsey (VXKBG. Consol.) 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 total field allowable shall be allocated equally among all the individual prorable 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.

RULE 3: Notice of application or hearing for an exception permit to Statewide Rule 37 for a well in the Kelsey (VXKBG. Consol.) Field shall not be required to be sent to the operator, lessee, or owner of record of any adjoining tract that is a distance of one mile or more from the applied-for location, notwithstanding the provisions of Statewide Rule 37(a)(2)(B).

It is further **ORDERED** by the Railroad Commission that all oil wells in the Kelsey (VXKBG. Consol.) Field be and are hereby classified as salvage/exempt and all gas wells in the Kelsey (VXKBG. Consol.) Field be and are hereby classified as associated/prorated.

Effective this second day of November, 1999.

RAILROAD COMMISSION OF TEXAS

Chairman Michael L. Williams

Commissioner Charles R. Matthews

Commissioner Tony Garza

ATTEST:

Secretary