

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

**OIL AND GAS DOCKET
NO. 04-0229992**

**IN THE RAYMONDVILLE
(CONSOLIDATED) FIELD, KENEDY
AND WILLACY COUNTIES, TEXAS**

**FINAL ORDER
COMBINING VARIOUS RAYMONDVILLE AND
RAYMONDVILLE, SOUTH FIELDS,
ADOPTING A DESIGNATION OF RAYMONDVILLE (CONSOLIDATED) FIELD
FOR THE FIELD FORMED BY SUCH COMBINATION OF FIELDS
AND ADOPTING OPERATING RULES AND REGULATIONS
FOR THE RAYMONDVILLE (CONSOLIDATED) FIELD
KENEDY AND WILLACY COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on December 18, 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 for which service was waived by parties of record; 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 fields hereinafter set out, located in Kenedy and Willacy Counties, Texas, be and they are hereby combined and recognized as one field, to be known as the Raymondville (Consolidated) Field (No. 74975 200), Kenedy and Willacy Counties, Texas; and all records and reports filed with the Commission will show such designation.

<u>FIELD NAME</u>	<u>FIELD NO.</u>	<u>COUNTY</u>	<u>OIL/GAS</u>
Raymondville	74975001	Willacy	Oil & Gas
Raymondville (A-1-A)	74975014	Kenedy	Gas
Raymondville (A-2)	74975028	Kenedy	Oil & Gas
Raymondville (A-2, North)	74975040	Willacy	Gas
Raymondville (A-4)	74975028	Willacy	Oil
Raymondville (A-4A)	74975084	Willacy	Oil & Gas
Raymondville (A-5)	74975112	Willacy	Oil
Raymondville (A-5A)	74975120	Willacy	Gas
Raymondville (A-6)	74975130	Kenedy	Oil
Raymondville (A-8)	74975140	Willacy	Oil
<u>FIELD NAME</u>	<u>FIELD NO.</u>	<u>COUNTY</u>	<u>OIL/GAS</u>
Raymondville (A-9)	74975155	Willacy	Oil
Raymondville (A-10, North)	74975167	Kenedy	Oil

Raymondville (A-10)	74975168	Willacy	Oil & Gas
Raymondville (A-10, Lower)	74975169	Willacy	Oil & Gas
Raymondville (A-12)	74975170	Willacy	Gas
Raymondville (A-13)	74975180	Willacy	Oil & Gas
Raymondville (A-14-A)	74975185	Willacy	Oil & Gas
Raymondville (A-15)	74975190	Willacy	Gas
Raymondville (A-15, Lower)	74975193	Willacy	Oil & Gas
Raymondville (A-16)	74975196	Willacy	Oil & Gas
Raymondville (F-1)	74975224	Willacy	Gas
Raymondville (F-2)	74975252	Willacy	Oil & Gas
Raymondville (F-3)	74975280	Willacy	Gas
Raymondville (F-4)	74975300	Willacy	Gas
Raymondville (F-4-A)	74975308	Willacy	Gas
Raymondville (F-4-C)	74975322	Willacy	Gas
Raymondville (F-4-D)	74975328	Willacy	Gas
Raymondville (F-5)	74975336	Willacy	Oil & Gas
Raymondville (F-5, Upper)	74975350	Kenedy	Oil
Raymondville (F-6)	74975364	Willacy	Oil & Gas
Raymondville (F-6, Lower)	74975375	Willacy	Gas
Raymondville (F-7)	74975392	Willacy	Oil & Gas
Raymondville (F-7A)	74975420	Willacy	Gas
Raymondville (F-8)	74975448	Willacy	Oil & Gas
Raymondville (F-9)	74975476	Willacy	Oil & Gas
Raymondville (F-10)	74975504	Willacy	Gas
Raymondville (F-11)	74975532	Willacy	Oil & Gas
Raymondville (F-12)	74975560	Willacy	Gas
Raymondville (F-12-A)	74975588	Willacy	Gas
Raymondville (F-13)	74975600	Willacy	Gas
Raymondville (F-13, Upper)	74975601	Kenedy	Gas
Raymondville (F-14)	74975616	Willacy	Gas
Raymondville (F-14, Upper)	74975618	Kenedy	Gas
Raymondville (F-15)	74975644	Willacy	Gas
Raymondville (F-16)	74975672	Willacy	Gas
Raymondville (F-17)	74975700	Willacy	Gas
Raymondville (F-18)	74975728	Willacy	Gas
Raymondville (F-19)	74975740	Kenedy	Gas
Raymondville (F-20)	74975748	Willacy	Gas
Raymondville (F-21)	74975756	Willacy	Gas
Raymondville (F-22)	74975760	Willacy	Gas
Raymondville (F-23)	74975772	Willacy	Gas
Raymondville (F-24)	74975784	Willacy	Gas
Raymondville (F-25)	74975785	Willacy	Gas
<u>FIELD NAME</u>	<u>FIELD NO.</u>	<u>COUNTY</u>	<u>OIL/GAS</u>
Raymondville (F-27)	74975787	Willacy	Gas
Raymondville (F-28)	74975788	Willacy	Oil & Gas
Raymondville (F-30)	74975790	Willacy	Gas
Raymondville (F-33)	74975793	Willacy	Gas
Raymondville (F-34-L)	74975816	Willacy	Gas

Raymondville (F-34-U)	74975817	Willacy	Gas
Raymondville (Frio 8000)	74975840	Willacy	Gas
Raymondville (LM-9)	74975848	Kenedy	Gas
Raymondville (LM-14)	74975853	Kenedy	Gas
Raymondville (LM-15)	74975854	Willacy	Gas
Raymondville (LM-16)	74975857	Willacy	Gas
Raymondville (LM-17)	74975860	Willacy	Oil
Raymondville (LM-19)	74975864	Kenedy	Oil
Raymondville (Miocene, Lo.)	74975868	Willacy	Oil & Gas
Raymondville (6750)	74975896	Willacy	Oil & Gas
Raymondville (7500)	74975924	Willacy	Gas
Raymondville (9100)	74975950	Willacy	Gas
Raymondville, South (F-5)	74979100	Willacy	Gas
Raymondville, South (F-7)	74979200	Willacy	Oil
Raymondville, South (F-9)	74979400	Willacy	Gas
Raymondville, South (LM-19-A)	74979500	Willacy	Oil
Raymondville, South (Zeecker)	74979550	Willacy	Gas
Raymondville, South (7070)	74979600	Willacy	Gas
Raymondville, South (7290)	74979800	Willacy	Gas

All Wildcat intervals between the above listed fields.

It is further **ORDERED** by the Commission that the operating rules as hereinafter set out, are hereby adopted for the Raymondville (Consolidated) Field, Kenedy and Willacy Counties, Texas.

RULE 1: The entire correlative interval from 3718 feet to 12,078 feet as shown on the Dual Induction Sonic log of the Texas Oil & Gas Corporation Swanberg Lease Well No. 1, J.N.. Cabazos "San Juan De Carracitos" Survey, Willacy County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Raymondville (Consolidated) Field.

RULE 2: No well for oil or gas shall hereafter be drilled nearer than FOUR HUNDRED SIXTY SEVEN (467) feet to any property line, lease line or subdivision line. There is no minimum distance between any well and any other applied for, permitted or completed well in the same reservoir on the same lease, pooled unit or unitized tract. The aforementioned distance in the above rule is a minimum distance to allow an operator flexibility in locating a well.. Provided however, that the Commission will grant exceptions to permit drilling within shorter distances than herein prescribed whenever the Commission shall have determined that such exceptions are necessary either to prevent waste or to prevent the confiscation of property. When exception to these rules is desired, application therefor shall be filed and will be acted upon in accordance with the provisions of Commission Statewide Rules 37, which applicable provisions of said rule are incorporated herein by reference.

In applying this rule the general order of the Commission with relation to the subdivision of property shall be observed.

RULE 3(a): 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 allowable established for a well in a field at this depth multiplied by 0.05.
- 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 in a field at this depth.

RULE 3(b): The daily allowable production of gas from individual wells completed in a 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:

- a. Five percent (5%) of the total field allowable shall be allocated equally among the individual prorable wells producing from this field.
- b. 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.

It is further **ORDERED** by the Railroad Commission of Texas that the application of Cody Energy, LLC. for suspension of the allocation formula in the Raymondville (Consolidated) Field be and is hereby approved. The allocation formula may be reinstated administratively if the market demand for gas in the Raymondville (Consolidated) Field drops below 100% of deliverability.

Done this twenty-fourth day of January, 2002.

RAILROAD COMMISSION OF TEXAS

Chairman Michael L. Williams

Commissioner Charles R. Matthews

Commissioner Tony Garza

ATTEST:

Secretary