

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

**OIL AND GAS DOCKET
NO. 04-0252721**

**IN THE RICHARD KING (FRIO CONS.)
FIELD, NUECES AND JIM WELLS
COUNTIES, TEXAS**

**FINAL ORDER
CONSOLIDATING VARIOUS FIELDS INTO THE RICHARD KING (FRIO CONS.)
FIELD AND ADOPTING FIELD RULES FOR THE
RICHARD KING (FRIO CONS.) FIELD
NUECES AND JIM WELLS COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on September 28, 2007, 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.

It is ordered by the Railroad Commission of Texas that the fields as listed in Attachment "A" are consolidated into the new field designation to hereafter be known as the Richard King (Frio Cons.) Field (RRC ID. No. 76410-100), Nueces and Jim Wells Counties, Texas.

It is further ordered by the Commission that the Richard King (Frio Cons.) Field is designated as Associated-Prorated and shall not be subject to Statewide Rule 49(b) allowable restriction and the following operating rules for the Richard King (Frio Cons.) Field are hereby adopted as hereinafter set out:

RULE 1: The entire correlative interval from 3,710' to 5,805' as shown on the Log, of the Kamlok, Inc., Ida Walker Lease Well No. 21 (API No. 42-355-32776), Nueces County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Richard King (Frio Cons.) Field.

RULE 2: No well shall hereafter be drilled nearer than THREE HUNDRED THIRTY (330) feet to any property line, lease line or subdivision line and there is no between well spacing limitation. The aforementioned distances in the above rule are minimum distances to allow an operator flexibility in locating a well, and the above spacing rule and the other rules to follow are for the purpose of permitting only one well to each drilling and proration unit. Provided however, that the Commission will grant exceptions to permit drilling within shorter distances and drilling

more wells 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 and 38, which applicable provisions of said rules are incorporated herein by reference. The standard drilling unit shall be FORTY (40) acres and no proration unit plats or Form P-15 shall be required.

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

RULE 3a: The daily allowable production of gas from individual wells completed in 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 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 3b: The daily oil allowable for each individual classified oil well shall not be allowable restricted or casinghead gas limited as the "oil" field is classified as salvage

Further, it is ordered by the Railroad Commission of Texas that suspension of the allocation formula in the Richard King (Frio Cons.) Field (wells designated in the "gas" field) is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Richard King (Frio Cons.) Field drops below 100% of deliverability. If the market demand for gas in the Richard King (Frio Cons.) Field drops below 100% of deliverability while the allocation formula is suspended, the operator shall immediately notify the Commission and the allocation formula shall be immediately reinstated. Failure to give such notice to the Commission may result in a fine (as provided for in Tex. Nat. Res. Code §86.222) for each day the operators fail to give notice to the Commission.

It is further ordered that all overproduction is hereby cancelled.

Done this the 23rd day of October, 2007.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by OGC
Unprotested Master Order dated October 23, 2007)**

ATTACHMENT “A”

<u>FIELD NAME</u>	<u>FIELD NUMBER</u>
Richard King	76410001
Richard King (3900)	76410220
Richard King (4000)	76410275
Richard King (4100)	76410330
Richard King (4200)	76410385
Richard King (4300)	76410390
Richard King (4400)	76410400
Richard King (4900)	76410440
Richard King (5000)	76410495
Richard King (5050)	76410503
Richard King (5080)	76410606
Richard King (5175)	76410528
Richard King (5230)	76410530
Richard King (5280)	76410534
Richard King (5300 L)	76410540
Richard King (5340)	76410549
Richard King (5350)	76410550
Richard King (5400 A Upper)	76410605
Richard King (5400 Upper)	76410607
Richard King (5430)	76410610
Richard King (5500)	76410640
Richard King (5530)	76410680
Richard King (5550)	76410700
Richard King (5570)	76410708
Richard King (5600 Upper)	76410715
Richard King (5700 Koehler)	76410740
Richard King (5800)	76410750