

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

**OIL AND GAS DOCKET
NO. 04-0257312**

**IN THE MINNIE BOCK, NORTH (FRIO
CONS) FIELD, NUECES COUNTY,
TEXAS**

**FINAL ORDER
CONSOLIDATING VARIOUS MINNIE BOCK , NORTH FIELDS INTO
THE MINNIE BOCK, NORTH (FRIO CONS) FIELD AND
ADOPTING FIELD RULES FOR THE
MINNIE BOCK, NORTH (FRIO CONS) FIELD
NUECES COUNTY TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on July 11, 2008, 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 Nueces County, Texas, are hereby combined into a new field called the Minnie Bock, North (Frio Cons) Field, Field ID No. 61916 010.

<u>FIELD NAME</u>	<u>FIELD ID NUMBER</u>
Minnie Bock, North	61916 001
Minnie Bock, North (Frio 25)	61916 032
Minnie Bock, N. (Frio 25 Up.)	61916 048
Minnie Bock, North (Horner)	61916 080
Minnie, Bock, N. (Wright)	61916 096
Minnie, Bock, N. (Wright FB B)	61916 112
Minnie Bock, N. (Z 3)	61916 160
Minnie Bock, N. (Z 3 3800)	61916 176
Minnie Bock, N. (Z 3-A)	61916 192
Minnie Bock, N. (Z 3-A FB B)	61916 208
Minnie Bock, N. (Z 4 Lower)	61916 224
Minnie Bock, N. (Z 4-A)	61916 240

Minnie Bock, N. (Z 4-A FB B)	61916 256
Minnie Bock, N. (Z 4-A FB C)	61916 272
Minnie Bock, N. (Z 4-C)	61916 288
Minnie Bock, N. (Z 5-A)	61916 304
Minnie Bock, N. (Z 5-E)	61916 312
Minnie Bock, N. (Z 6)	61916 320
Minnie Bock, N. (Z 13)	61916 448
Minnie Bock, N. (Z 13 Seg W)	61916 464
Minnie Bock, N. (Z 14)	61916 480
Minnie Bock, N. (Z 14 Blk. C)	61916 496
Minnie Bock, N. (Z 14 FB B)	61916 512
Minnie Bock, N. (Z 15)	61916 528
Minnie Bock, N. (Z 21-A)	61916 560
Minnie Bock, N. (Z 22)	61916 576
Minnie Bock, N. (Z 22 Blk. D)	61916 592
Minnie Bock, N. (Z 23-A)	61916 608
Minnie Bock, N. (Z 23-A FB A)	61916 624
Minnie Bock, N. (Z 23-B)	61916 640
Minnie Bock, N. (5860)	61916 775
Minnie Bock, North (5900)	61916 784
Minnie Bock, N. (5970)	61916 787
Minnie Bock, N. (6050)	61916 796
Minnie Bock, North (6130)	61916 800
Minnie Bock, North (6190)	61916 816
Minnie Bock, N. (6250)	61916 832
Minnie Bock, N. (6575)	61916 845
Minnie Bock, N. (6600)	61916 848
Minnie, Bock, North (6750)	61916 864

It is further ordered by the Commission that the following rules are hereby adopted for the Minnie Bock, North (Frio Cons) Field:

RULE 1: The entire correlative interval from 9,978 feet to 14,084 feet, as shown on the log of the Sullivan Deep "D" Well No. 1, API 42-047-31950, FG Chapa Survey, A-98, Brooks County shall be designated as a single reservoir for proration purposes and be designated as the Minnie Bock, North (Frio Cons) Field.

RULE 2: No well shall hereafter be drilled nearer than ONE HUNDRED FIFTY (150) feet to any property line, lease line or subdivision line. There is no between-well spacing limitation for wells in this field. The aforementioned distance is the 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 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 Rule 37, which applicable provisions of said rule is incorporated herein by reference.

RULE 3: The acreage assigned an individual oil or gas well shall be known as a proration unit. The standard drilling and proration units are established hereby to be FORTY (40) acres. No proration unit shall consist of more than FORTY (40) acres; provided that, tolerance acreage of ten (10) percent shall be allowed for each standard proration unit so that an amount not to exceed a maximum of FORTY FOUR (44) acres may be assigned. Each proration unit containing less than FORTY (40) acres shall be a fractional proration unit.

An operator, at his option, shall be permitted to form optional drilling and proration units of TWENTY (20) acres.

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

RULE 4a: The subject field shall be classified as associated-prorated and the daily allowable production of gas from individual gas 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:

NINETY-FIVE percent (95%) of the field's total allowable shall be allocated equally among all the individual proratable wells producing from the field.

FIVE percent (5%) of the field's total 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 proratable wells producing from the field.

RULE 4b: The field is classified as salvage with no restriction on oil or casinghead gas.

It is further ordered by the Commission that the application of Sue-Ann Operating, L.C. for suspension of the allocation formula in the Minnie Bock, North (Frio Cons) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Minnie Bock, North (Frio Cons) Field drops below 100% of deliverability. If the market demand for gas in the Minnie Bock, North (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.

Wells in the subject fields shall be transferred into the Minnie Bock, North (Frio Cons) Field without requiring new drilling permits.

Done this 29th day of July, 2008.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated July 29,
2008)**