

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

**OIL AND GAS DOCKET  
NO. 04-0260278**

**IN THE FLOWELLA (FRIO-VX  
SHALLOW) FIELD, BROOKS AND  
KLEBERG COUNTIES, TEXAS**

**FINAL ORDER  
CONSOLIDATING VARIOUS FLOWELLA FIELDS INTO  
THE FLOWELLA (FRIO-VX SHALLOW) FIELD AND  
ADOPTING FIELD RULES FOR THE  
FLOWELLA (FRIO-VX SHALLOW) FIELD  
BROOKS AND KLEBERG COUNTIES TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on January 6, 2009, 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 and Kleberg Counties, Texas, are hereby combined into a new field called the Flowella (Frio-VX Shallow) Field, Field ID No. 31591 050.

<b><u>FIELD NAME</u></b>	<b><u>FIELD ID NUMBER</u></b>
Flowella (Frio 8300)	31591 200
Flowella (Frio 8750)	31591 242
Flowella (Vicksburg 9300)	31591 525
Flowella (Vicksburg 4)	31591 468
Flowella (Vicksburg 9600)	31591 535
Flowella (Vicksburg 3)	31591 465
Flowella (Loma Blanca)	31591 285
Flowella (11,200)	31591 800

It is further ordered by the Commission that the following rules are hereby adopted for the Flowella (Frio-VX Shallow) Field:

**RULE 1:** The entire correlative interval from 8,808 feet to 9,804 feet, as shown on the log of the Sullivan Well No. 15, API 42-047-32225, FG Chapa Survey, A-98, Brooks County shall be designated as a single reservoir for proration purposes and be designated as the Flowella (Frio-VX Shallow) Field.

**RULE 2:** No well for gas shall hereafter be drilled nearer than FOUR HUNDRED SIXTY SEVEN (467) feet to any property line, lease line, or subdivision line and no well shall be drilled nearer than NINE HUNDRED THIRTY THREE (933) feet to any applied for, permitted or completed well in the same reservoir on the same lease, pooled unit or unitized tract. 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 in either field. 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.

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

**RULE 3:** The acreage assigned to an individual 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. All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of gas. No double assignment of acreage will be accepted.

There is no maximum diagonal limitation in this field and operators are not required to file Form P-15 and plats, except an as-drilled plat showing the path, penetration point and terminus of all drainholes in horizontal wells.

**RULE 4:** 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 field's total allowable shall be allocated equally among all the individual proratable wells producing from the field.

NINETY-FIVE percent (95%) 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.

It is further ordered by the Commission that the application of Erskine Energy, LLC for suspension of the allocation formula in the Flowella (Frio-VX Shallow) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Flowella (Frio-VX Shallow) Field drops below 100% of deliverability. If the market demand for gas in the Flowella (Frio-VX Shallow) 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 Flowella (Frio-VX Shallow) Field without requiring new drilling permits.

Done this 10<sup>th</sup> day of February, 2009.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotected Master Order dated  
February 10, 2009)**