

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

**OIL AND GAS DOCKET
NO. 04-0261532**

**IN THE COPANO BAY, S. (FB-A CONS.
G-L) FIELD, ARANSAS COUNTY,
TEXAS**

**FINAL ORDER
CONSOLIDATING VARIOUS COPANO BAY, S. (FB-A) FIELDS INTO A
NEW FIELD CALLED THE COPANO BAY, S. (FB-A CONS. G-L) FIELD
AND ADOPTING FIELD RULES FOR THE
COPANO BAY, S. (FB-A CONS. G-L) FIELD
ARANSAS COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on May 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 are consolidated into a new field called the Copano Bay, S. (FB-A Cons. G-L) Field, ID No. 20452 020, Aransas County, Texas:

<u>FIELD NAME</u>	<u>FIELD NUMBER</u>
Copano Bay, S. (FB-A, G, Lower)	20452 029
Copano Bay, S. (FB-A, H, Upper)	20452 090
Copano Bay, S. (FB-A, H, Middle)	20452 072
Copano Bay, S. (FB-A, H, Lower)	20452 054
Copano Bay, S. (FB-A, H A, Lo.)	20452 036
Copano Bay, S. (FB-A, I-1)	20452 104
Copano Bay, S. (FB-A, I-4)	20452 108
Copano Bay, S. (FB-A, J-1)	20452 126
Copano Bay, S. (FB-A, J-2)	20452 144
Copano Bay, S. (FB-A, J-3)	20452 162
Copano Bay, S. (FB-A, K-2)	20452 180
Copano Bay, S. (FB-A, K-3,4)	20452 198
Copano Bay, S. (FB-A, L-2)	20452 216

It is further **ORDERED** that the following Field Rules are adopted for the Copano Bay, S. (FB-A Cons. G-L) Field, Aransas County, Texas:

RULE 1: The entire combined correlative interval from 7,030 feet to 8,480 feet as shown on the log of the Cities Service Company - State Tract 96 Lease, Well No. 2 (API No. 42-007-00591), Copano Bay, Aransas County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Copano Bay, S. (FB-A Cons. G-L) Field.

RULE 2: No well for oil or gas shall hereafter be drilled nearer than SIX HUNDRED SIXTY (660) feet to any property line, lease line, or subdivision line and no well shall be drilled nearer than ONE THOUSAND THREE HUNDRED TWENTY (1,320) 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 are the minimum distances 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 3a: 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 SIX HUNDRED FORTY (640) acres. No proration unit shall consist of more than SIX HUNDRED FORTY (640) 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 SEVEN HUNDRED FOUR (704) acres may be assigned. The two farthestmost points in any proration unit shall not be in excess of EIGHT THOUSAND FIVE HUNDRED (8,500) feet removed from each other. Each proration unit containing less than SIX HUNDRED FORTY (640) 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.

RULE 3b: The acreage assigned to an individual oil well shall be known as a proration unit. The standard drilling and proration units are established hereby to be EIGHTY (80) acres. No proration unit shall consist of more than EIGHTY (80) acres except as hereinafter provided. The two farthestmost points in any proration unit shall not be in excess of THREE THOUSAND TWO HUNDRED FIFTY (3,250) feet removed from each other; provided however, that in the case of long and narrow leases or in cases where because of the shape of the lease such is necessary to permit the utilization of tolerance acreage, the Commission may after proper showing grant exceptions to the limitations as to the shape of proration units as herein contained. All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of oil. No double assignment of acreage will be accepted.

If after the drilling of the last well on any lease and the assignment of acreage to each well thereon in accordance with the regulations of the Commission there remains an additional unassigned acreage of less than EIGHTY (80) acres, then and in such event the remaining unassigned acreage up to and including a total of FORTY (40) acres may be assigned as tolerance acreage to the last well drilled on such lease or may be distributed among any group of wells located thereon, so long as the proration units resulting from the inclusion of such additional acreage meet the limitations prescribed by the Commission.

Operators shall file with the Commission certified plats of their properties in said field, which plats shall set out distinctly all of those things pertinent to the determination of the acreage credit claimed for each well; provided that if the acreage assigned to any proration unit has been pooled, the operator shall furnish the Commission with such proof as it may require as evidence that interests in and under such proration unit have been so pooled.

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

RULE 4a: The field shall be classified as associated-prorated. 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 total field allowable shall be allocated among the individual wells in the proportion that the acreage assigned such well for allowable purposes bears to the summation of the acreage with respect to all prorable wells producing from this field.

FIVE percent (5%) of the field's total allowable shall be allocated equally among all the individual prorable wells producing from the field.

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

Wells in the subject fields shall be transferred into the Copano Bay, S. (FB-A Cons. G-L) Field without requiring new drilling permits.

Done this 18th day of June, 2009.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by OGC
Unprotested Master Order dated June 18, 2009)**