

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

**OIL AND GAS DOCKET  
NO. 08-0255758**

**IN THE THISTLE (OVERTHRUST)  
FIELD, PECOS COUNTY, TEXAS**

**FINAL ORDER  
CONSOLIDATING VARIOUS FIELDS INTO A NEW FIELD  
CALLED THE THISTLE (OVERTHRUST) FIELD AND  
ADOPTING FIELD RULES FOR THE THISTLE (OVERTHRUST) FIELD  
PECOS COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on March 24, 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 are consolidated into a new field called the Thistle (Overthrust) Field, ID No. 89408 800, Pecos County, Texas:

Thistle (Caballos B) Field	89408 150
Thistle (Caballos B, FB-2) Field	89408 165
Thistle (Caballos Novaculite) Field	89408 200
Thistle (Caballos Novaculite FB2) Field	89408 205
Thistle (Caballos Novclte E. FB.) Field	89408 225

It is further ordered that the following rules are adopted for the Thistle (Overthrust) Field, Pecos County, Texas:

**RULE 1:** The entire combined correlative interval from 2,388 feet to 6,408 feet as shown on the log of the Downie Ranch No. 401, API No. 42-371-34715), Section 4, Block R3, GC & SF RR Co. Survey,, Pecos County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Thistle (Overthrust) Field.

**RULE 2:** No well for oil or gas shall hereafter be drilled nearer than THREE HUNDRED AND THIRTY (330) feet to any property line, lease line or subdivision line and there is no minimum between well spacing requirement. 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.

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

**RULE 3a:** The acreage assigned to the individual gas well shall be known as a proration unit. The standard drilling and proration units are established hereby to be ONE HUNDRED AND SIXTY (160) acres. No proration unit shall consist of more than ONE HUNDRED AND SIXTY (160) 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 ONE HUNDRED AND SEVENTY-SIX (176) acres may be assigned. No proration unit plats are required and there is no maximum diagonal limitation for wells in this field.

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

**RULE 3b:** The acreage assigned to the individual oil well shall be known as a proration unit. The standard drilling and proration units are established hereby to be ONE HUNDRED AND SIXTY (160) acres. No proration unit shall consist of more than ONE HUNDRED AND SIXTY (160) acres except as hereinafter provided. No proration unit plats are required and there is no maximum diagonal limitation for wells in this field.

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 ONE HUNDRED AND SIXTY (160) acres, then and in such event the remaining unassigned acreage up to and including a total of TWENTY (20) 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.

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

**RULE 4a:** The daily allowable production of gas from individual wells completed in a non-associated 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:

FIVE percent (5%) of the total field allowable shall be allocated equally among the individual proratable 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 proratable wells producing from this field.

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

It is further ordered that the allocation formula in the Thistle (Overthrust) Field is suspended. The allocation formula may be reinstated administratively if the market demand for gas in the Thistle (Overthrust) Field drops below 100% of deliverability. If the market demand for gas in the Thistle (Overthrust) 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.

Done this 24<sup>th</sup> day of April, 2008.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by OGC  
Unprotested Master Order dated April 24, 2008)**