

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

**OIL AND GAS DOCKET  
NO. 04-0267396**

**FINAL ORDER  
CONSOLIDATING VARIOUS RITA, S.E. FIELDS  
INTO A NEW FIELD CALLED  
THE RITA, S.E. (CONSOLIDATED) FIELD AND  
ADOPTING FIELD RULES FOR THE  
RITA, S.E. (CONSOLIDATED) FIELD  
KENEDY COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on October 8, 2010, 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 fields listed on Appendix A located in Kenedy County, Texas, are hereby combined into a new field called the Rita, S.E. (Consolidated) Field (No. 76941 050):

It is further ordered that the following rules are adopted for the Rita, S.E. (Consolidated) Field :

**RULE 1:** The entire correlative interval from 11,300 feet to 14,400 feet as shown on the log of the Exxon Company, U.S.A. Mrs. S.K. East Well No. 92, API No. 261-30423, Los Finados Survey, A-36, Kenedy County, the entire correlative interval from 14,330 feet to 15,250 feet as shown on the log of the Exxon Company, U.S.A. Mrs. S.K. East Well No. 118, API No. 261-30598, Los Finados Survey, A-36, Kenedy County, the entire correlative interval from 15,100 feet to 16,718 feet as shown on the log of the Headington Oil Company, L.P. Mrs. S.K. East Well No. 206, API No. 261-31474, JN De La Garza Survey, A-36, Kenedy County, shall be designated as a single reservoir for proration purposes and be designated as the Rita, S.E. (Consolidated) Field.

**RULE 2:** No oil or gas well shall hereafter be drilled nearer than FOUR HUNDRED SIXTY SEVEN (467) feet to any property line, lease line or subdivision line and there is no between-well spacing limitation for wells in this field. The aforementioned distances in the above rule are minimum distances to allow an operator flexibility in locating a well. The Commission will grant exceptions to permit drilling within shorter distances and drilling

more wells than herein prescribed whenever the Commission determines 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 the 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.

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

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 prorable 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 prorable wells producing from the field.

It is further ordered that the allocation formula in the Rita, S.E. (Consolidated) Field will be suspended. The allocation formula may be reinstated administratively, in accordance with the Commission's rules, if the market demand for gas in the Rita, S.E. (Consolidated) Field drops below 100% of deliverability.

Done this 30<sup>th</sup> day of November, 2010.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotested Master Order dated  
November 30, 2010)**

Attachment "A"

<u>Field Name</u>	<u>Field Number</u>
RITA, S.E. (L-03)	76941 250
RITA, S.E. (L-83)	76941 280
RITA, S.E. (L-83, II)	76941 290
RITA, S.E. (L-83, III)	76941 292
RITA, S.E. (L-94, W)	76941 300
RITA, SE. (MARINE FRIO)	76941 333
RITA, SE. (M-20)	76941 475
RITA, S.E. (M-20, W)	76941 480
RITA, SE. (M-67)	76941 600
RITA, SOUTHEAST (N-10)	76941 666
RITA, S.E. (N-10, II)	76941 670
RITA, S.E. (N-10, III)	76941 671
RITA, S.E. (N-02-10, C)	76941 673
RITA, SOUTHEAST (N-30)	76941 675
RITA, SE. (O-53)	76941 700
RITA, SE (O-53, II)	76941 800
RITA, S.E. (O-97)	76941 870