

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

**OIL AND GAS DOCKET
NO. 10-0259183**

**IN THE STILES RANCH, SOUTH
(MORROW, LO) FIELD, WHEELER
COUNTY, TEXAS**

**FINAL ORDER
AMENDING FIELD RULES AND
ASSIGNING PRORATION UNIT ACREAGE FOR WELLS
IN THE STILES RANCH, SOUTH (MORROW, LO) FIELD
WHEELER COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on November 20 and December 12, 1008, the presiding examiners have made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record; 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 examiners' report and proposal for decision, the findings of fact and conclusions of law contained therein, and any exceptions and replies filed thereto, 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 Rule 4 of the field rules adopted in Final Order No. 10-0248372, effective August 22, 2006, for the Stiles Ranch, South (Morrow, Lo) Field, Wheeler County, Texas, is amended as hereafter set out:

RULE 4: 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:

FIFTY percent (50%) 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.

FIFTY percent (50%) 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.

It is further ordered by the Railroad Commission of Texas that Petro-Hunt L.L.C. shall reduce acres in the proration unit for its G. C. Davis No. 1-61 from 640 acres to 335 acres upon receipt by the Railroad Commission of completion papers for the Crest Resources, Inc. - Davis No. 361 well, showing that the well has been completed in the Stiles Ranch, South (Morrow, Lo) Field. The proration unit for the Davis No. 361 shall be 181 acres in the Stiles Ranch, South (Morrow, Lo) Field.

Each exception to the examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order 3 days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest within such 20-day period after the party's presumed notice, this order shall not become final until such motion is overruled, or if rehearing is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE § 2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the parties are notified of the order in accordance with TEX. GOV'T CODE §2001.144.

Done this 14th day of April, 2009

RAILROAD COMMISSION OF TEXAS

Chairman Victor G. Carrillo

Recused

Commissioner Elizabeth A. Jones

Commissioner Michael L. Williams

Secretary