

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

**OIL AND GAS DOCKET
NO. 02-0248915**

**IN THE PROVIDENT CITY NE (LWR
WX. CONS) FIELD, COLORADO AND
LAVACA COUNTIES, TEXAS**

**FINAL ORDER
CONSOLIDATING VARIOUS FIELDS INTO THE PROVIDENT CITY NE (LWR WX.
CONS) FIELD AND ADOPTING FIELD RULES FOR THE
PROVIDENT CITY NE (LWR WX. CONS) FIELD
COLORADO AND LAVACA COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on October 26, 2006, 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 Provident City, NE. (15,200), Provident City, NE. (14,000), and Allen Ranch (14,800) Fields are consolidated into the new field designation to hereafter be known as the Provident City NE (Lwr Wx. Cons) Field (RRC ID. No. 73296-100), Colorado and Lavaca Counties, Texas.

It is further ordered by the Commission that the following operating rules for the Provident City NE (Lwr Wx. Cons) Field are hereby adopted and as hereinafter set out:

RULE 1: The entire correlative interval from 13,492' to 17,450' as shown on the Baker Hughes High Definition Induction Log, Compensated Z-Densilog, Compensated Neutron Log, Gamma Ray log of the Newfield Exploration Company, EPC G.U. 1 Lease Well No. 3, (API No. 42-089-32420), SA & MG RR Co./ R.P. Allen Survey, A-905, Colorado County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Provident City NE (Lwr Wx. Cons) Field.

RULE 2: 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:

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 prorable wells producing from this field.

FIVE percent (5%) 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.

Further, it is ordered by the Railroad Commission of Texas that suspension of the allocation formula in the Provident City NE (Lwr Wx. Cons) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Provident City NE (Lwr Wx. Cons) Field drops below 100% of deliverability. If the market demand for gas in the Provident City NE (Lwr Wx. Cons) 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. Failure to give such notice to the Commission may result in a fine (as provided for in Tex. Nat. Res. Code §86.222) for each day the operators fail to give notice to the Commission.

Done this 14th day of November, 2006.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by OGC
Unprotected Master Order dated November 14,
2006)**