

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

**OIL AND GAS DOCKET
NO. 03-0251791**

**FINAL ORDER
CONSOLIDATING VARIOUS FIELDS INTO A NEW FIELD CALLED
THE MAGNET WITHERS (FRIO CONS.) FIELD AND
ADOPTING FIELD RULES FOR THE
MAGNET WITHERS (FRIO CONS.) FIELD
WHARTON COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on June 28, 2007, 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 located in Wharton County, Texas, are hereby combined into a new field called the Magnet Withers (Frio Cons.) Field (No. 56688 586):

<u>FIELD NAME</u>	<u>FIELD NUMBER</u>
Magnet Withers (F-2, East)	56688 045
Magnet Withers (F-5, East)	56688 063
Magnet Withers (F-7-B, East)	56688 090
Magnet Withers (F-7-C, East)	56688 099
Magnet Withers (F-8, East)	56688 117
Magnet Withers (F--9, East)	56688 135
Magnet Withers (F-1B, East)	56688 009
Magnet Withers (F-10, East)	56688 171
Magnet Withers (F-11-A, East)	56688 189
Magnet Withers (F-11-B, E.)	56688 198
Magnet Withers (F-11-C, E.)	56688 207
Magnet Withers (F-12, E.)	56688 225
Magnet Withers (F-13, E.)	56688 243
Magnet Withers (F-14, East)	56688 261

Magnet Withers (F-15, E.)	56688 306
Magnet Withers (F-16, E.)	56688 324
Magnet Withers (F-17, E.)	56688 342
Magnet Withers (F-18, East)	56688 360
Magnet Withers (F-18B, East)	56688 362
Magnet Withers (F-19, East)	56688 373
Magnet Withers (F-20, East)	56688 378
Magnet Withers (F-20B, E)	56688 387
Magnet Withers (F-20B, E. Up.)	56688 396
Magnet Withers (F-21, East)	56688 414
Magnet Withers (F-23, East)	56688 477
Magnet Withers (F-24-A, East)	56688 495
Magnet Withers (F-24-B, East)	56688 504
Magnet Withers (F-25, E.)	56688 522
Magnet Withers (F-26, East)	56688 558
Magnet Withers (F-26, East, Up)	56688 567

It is further ordered that the following rules are adopted for the Indian Point (Upper Frio Cons.) Field:

RULE 1: The entire correlative interval between 5,568 feet and 7,420 feet, as shown on the log of the H. C. Cockburn Well No. 146, Section 5, S. Castleman Survey, A-12, API No. 481-34839, Wharton County, shall be designated as a single reservoir for proration purposes and be designated as the Magnet Withers (Frio Cons.) Field.

RULE 2: No well shall hereafter be drilled nearer than THREE HUNDRED THIRTY (330) feet to any property line, lease line or subdivision line. There is no between-well spacing limitation for wells in this field. The standard drilling unit shall remain forty (40) acres per well. Operators shall not be required to file Form P-15 or plats for wells in the field.

RULE 3a: The field shall be classified as associate-prorated. 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 proratable 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 proratable wells producing from the field.

RULE 3b: The Magnet Withers (Frio Cons.) Field (oil) shall be classified as salvage, with no regulatory limitation on oil or casinghead gas production.

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

It is further ordered that wells in the subject fields are hereby transferred into the Magnet Withers (Frio Cons.) Field, Wharton County, without requiring new drilling permits.

Done this 17th day of July, 2007.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated July 17,
2007)**