

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
OIL AND GAS SECTION**

OIL AND GAS DOCKET

**IN THE TRAWICK (PETTIT-TP CONS.)
FIELD, NACOGDOCHES AND RUSK
COUNTIES, TEXAS**

NO. 06-0257872

**FINAL ORDER
CONSOLIDATING TRAWICK (PETTIT)
AND TRAWICK (TRAVIS PEAK) FIELDS INTO A
NEW FIELD CALLED THE TRAWICK (PETTIT-TP CONS.) FIELD AND
ADOPTING FIELD RULES FOR THE
TRAWICK (PETTIT-TP CONS.) FIELD
NACOGDOCHES AND RUSK COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on July 25, 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 Trawick (Pettit) (No. 90998 332) and the Trawick (Travis Peak) (No. 90998 830) Fields located in Nacogdoches and Rusk Counties, Texas, are hereby combined into a new field called the Trawick (Pettit-TP Cons.) Field (No. 90998 500):

It is further ordered that the following rules are adopted for the Trawick (Pettit-TP Cons.) Field:

RULE 1: The entire correlative interval from 7,390' to 9,760' as shown on the Computer Processed log of the Humble, Trawick Gas Unit 6 Lease Well No. 2, (API 42-347-00046), Luis Sanchez Survey, A-50, Nacogdoches County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Trawick (Pettit-TP Cons.) Field.

RULE 2: No well shall hereafter be drilled nearer than FOUR HUNDRED AND 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, 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. Notwithstanding the above, there shall be no minimum between well spacing requirement between vertical wells and horizontal drainhole wells on the same lease or pooled unit.

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 for the purpose of allocating allowable gas production thereto shall be known as a proration unit. The standard drilling and proration units are established hereby to be SIX HUNDRED AND FORTY (640) acres. No proration unit shall consist of more than SIX HUNDRED AND FORTY (640) 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 SEVEN HUNDRED AND FOUR (704) acres may be assigned. The two farthestmost points in any proration unit shall not be in excess of TEN THOUSAND FIVE HUNDRED (10,500) feet removed from each other. Each proration unit containing less than SIX HUNDRED AND FORTY (640) acres shall be a fractional proration unit. All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of gas. No double assignment of acreage will be accepted.

An operator, at his option, shall be permitted to form optional drilling units of FORTY (40) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit. The two farthestmost points of a FORTY (40) acre fractional proration unit shall not be greater than FOUR THOUSAND FIVE HUNDRED (4500) feet removed from each other.

For the determination of acreage credit in this field, operators shall file for each well in this field a Form P-15 Statement of Productivity of Acreage Assigned to Proration Units. On that form or an attachment thereto, the operator shall list the number of acres that are being assigned to each well on the lease or unit for proration purposes. When the allocation formula in this field is suspended, operators in this field shall not be required to file plats with the Form P-15. When the allocation formula is in effect in this field, operators shall be required to file, along with the Form P-15, individual proration unit plats showing

the acreage assigned to each well. Provided further, that if the acreage assigned to any well has been pooled, the operator shall furnish the Commission with such proof as it may require as evidence that interests in and under such proration unit have been so pooled.

Operators are required to file an as-drilled plats showing the path, penetration point, production take points and terminus of all drainholes in horizontal wells regardless of allocation formula status.

RULE 4: The subject field shall be classified as associated-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:

TWENTY-FIVE percent (25%) of the field's total allowable shall be allocated equally among all the individual proratable wells producing from the field.

SEVENTY-FIVE percent (75%) 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 proratable wells producing from this field.

The oil field in the Trawick (Pettit-TP Cons.) Field 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 Trawick (Pettit-TP Cons.) 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 Trawick (Pettit-TP Cons.) Field drops below 100% of deliverability.

Done this 7th day of October, 2008.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated
October 7, 2008)**