

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

**OIL AND GAS DOCKET  
NO. 04-0247266**

**IN THE MCALLEN RANCH (GUERRA)  
FIELD, HIDALGO COUNTY, TEXAS**

**FINAL ORDER  
ADOPTING A PERMANENT SPACING RULE  
FOR THE MCALLEN RANCH (GUERRA) FIELD  
HIDALGO COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on May 18, 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 following permanent rule shall be adopted for the McAllen Ranch (Guerra) Field, Hidalgo County, Texas.

**RULE 1:** No well for gas or oil shall hereafter be drilled nearer than FOUR HUNDRED SIXTY-SEVEN (467) feet to any property line, lease line, or subdivision line and NO minimum distance is required from any well to any applied for, permitted or completed well in the same reservoir on the same lease, pooled unit or unitized tract. The aforementioned distances in the above rule are minimum distances to allow an operator flexibility in locating a well, and the above spacing rule is for the purpose of permitting only one well to each drilling 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 this rule 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. The standard drilling units will remain 40 acres.

In applying this rule, the general order of the Commission with relation to the subdivision of property shall be observed.

Done this the sixth day of June, 2006.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by OGC  
Unprotested Master Order dated June 6, 2006)**