

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

**OIL AND GAS DOCKET  
NO. 04-0248947**

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

**FINAL ORDER  
AMENDING FIELD RULES  
IN THE MCALLEN RANCH (VICKSBURG Y) FIELD  
HIDALGO COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on October 17, 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 Rule 1 of the field rules adopted in Final Order No. 4-68,554, effective March 20, 1978, as amended, for the McAllen Ranch (Vicksburg Y) Field, Hidalgo County, Texas, is amended as hereafter set out:

**RULE 1:** No gas well shall hereafter be drilled nearer than **FOUR HUNDRED SIXTY SEVEN (467)** feet to any property line, lease line or subdivision line. There is no between-well spacing limitation for wells in this field. The aforementioned distance is the minimum distance to allow an operator flexibility in locating a well. 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 Rule 37, which applicable provisions of said rule is incorporated herein by reference.

The allocation formula in the McAllen Ranch (Vicksburg Y) Field will remain suspended. The allocation formula may be reinstated administratively, in accordance with the Commission's rules, if the market demand for gas in the McAllen Ranch (Vicksburg Y) Field drops below 100% of deliverability.

Done this 14<sup>th</sup> day of November, 2006.

**RAILROAD COMMISSION OF TEXAS**

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