

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

**OIL AND GAS DOCKET  
NO. 04-0259775**

**FINAL ORDER  
CONSOLIDATING UREBENO, SOUTH (LOBO 6) FIELD  
INTO A NEW FIELD CALLED  
THE UREBENO, SOUTH (LOBO CONS.) FIELD AND  
ADOPTING FIELD RULES FOR THE  
UREBENO, SOUTH (LOBO CONS.) FIELD  
ZAPATA COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on November 21, 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 Urebena, South (Lobo 6) Field (No. 92768 500) located in Zapata County, Texas, is hereby combined into a new field called the Urebena, South (Lobo Cons.) Field (No. 92678 600):

It is further ordered that the following rules are adopted for the Urebena, South (Lobo Cons.) Field:

**RULE 1:** The entire Lobo Formation from the Lobo Unconformity to the top of the Willis Point (Midway Shale), Zapata County, shall be designated as a single reservoir for proration purposes and be designated as the Urebena, South (Lobo Cons.) Field.

**RULE 2:** No oil or gas well shall hereafter be drilled nearer than FOUR HUNDRED 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. The Commission will grant exceptions to permit drilling within shorter distances and drilling more wells than herein prescribed whenever the Commission determines 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. The standard drilling unit shall remain forty (40) acres per well.

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

**RULE 3:** 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 prorable 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 prorable wells producing from the field.

It is further ordered that the allocation formula in the Urebena, South (Lobo 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 Urebena, South (Lobo Cons.) Field drops below 100% of deliverability.

Done this 15<sup>th</sup> day of January, 2009.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotected Master Order dated  
January 15, 2009)**