

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 04-0282142**

**IN THE KRB\ZUNI-NC (VXBG) FIELD,
KLEBERG COUNTY, TEXAS**

**FINAL ORDER
AMENDING FIELD RULES
FOR THE KRB\ZUNI-NC (VXBG) FIELD,
KLEBERG COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on May 20, 2013, 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 that field rules adopted in Final Order No. 04-0217266, effective October 2, 2001, for the KRB\Zuni-NC (VXBG) Field, Kleberg County, Texas, are hereby amended and renumbered as follows:

RULE 1: The entire correlative interval from 8,484 feet to 12,612 feet as shown on the log of the Humble Oil Refining Company King Ranch Borregos Lease, Well No. M-4E, Juan Berban Survey No. 601, Kleberg County, shall be designated as a single reservoir for proration purposes and be designated as the KRB\Zuni-NC (VXBG) Field.

RULE 2: No 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:

FIFTY percent (50%) of the field's total allowable shall be allocated equally among all the individual prorable wells producing from the field.

FIFTY percent (50%) 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.

Done this 18th day of June, 2013.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Divisions' Unprotested Master
Order dated June 18, 2013)**