

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 04-0287591**

**IN THE TEXAN GARDENS-TABASCO,
N. (CONS) FIELD, HIDALGO COUNTY,
TEXAS**

**FINAL ORDER
CONSOLIDATING VARIOUS TABASCO, NORTH AND
TEXAN GARDENS FIELDS INTO THE PROPOSED
TEXAN GARDENS-TABASCO, N. (CONS) FIELD AND
TO ADOPT FIELD RULES FOR THE PROPOSED
TEXAN GARDENS-TABASCO, N. (CONS) FIELD ,
HIDALGO COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on April 4, 2014, the presiding examiners have 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 examiners' 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 fields listed in Attachment A are hereby consolidated into a new field called the Texan Gardens-Tabasco, N. (Cons) Field, Hidalgo County, Texas, Field (No. 89081500).

It is further **ORDERED** that the following Field Rules shall be adopted for the Texan Gardens-Tabasco, N. (Cons) Field, set out in their entirety as follows:

RULE 1: The entire correlative interval from 5,420 feet to 10,050 feet as shown on the log of the Hidalgo-Willacy Well No. 13B, API No. 42-215-31948, Block 7, Lot 26 Y Ramirez POR 79, Hidalgo County, Texas shall be designated as a single reservoir for proration purposes and be designated as the Texan Gardens-Tabasco, N. (Cons) Field.

RULE 2: No well shall hereafter be drilled nearer than THREE HUNDRED THIRTY (330) feet to any property line, lease line or subdivision line. 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.

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 an individual well for the purpose of allocating allowable oil or gas production shall be known as a proration unit. The standard drilling and proration units are established hereby to be FORTY (40) acres. No proration unit shall consist of more than FORTY (40) acres. Each proration unit containing less than FORTY (40) 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 oil or gas. No double assignment of acreage will be accepted.

An operator, at their option, shall be permitted to form optional drilling units of TWENTY (20) acres.

Operators shall file with the Commission certified plats of their properties in said field, which plats shall set out distinctly all of those things pertinent to the determination of the acreage credit claimed for each well; provided that if the acreage assigned to any proration unit 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.

RULE 4a: The subject field shall be classified as associated-prorated and the daily allowable production of gas from individual gas 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:

- a. SEVENTY FIVE percent (75%) 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 proratable wells producing from the field.
- b. TWENTY FIVE percent (25%) of the field's total allowable shall be allocated equally among all the individual proratable wells producing from the field.

RULE 4b: The maximum daily oil allowable for each well in the subject field shall be 192 barrels of oil per day, and the actual allowable for an individual well shall be determined by the sum total of the two following values:

- a. Each well shall be assigned an allowable equal to its potential based on the most recent well test filed with the Commission multiplied by 75%, provided that this value shall not exceed 192 barrels of oil per day multiplied by 75%.
- b. Each well shall be assigned an allowable equal to 25% of the maximum daily oil allowable above.

It is further **ORDERED** that the allocation formula in the Texan Gardens-Tabasco, N. (Cons) Field is hereby suspended. The allocation formula may be reinstated administratively if the market demand for gas in the Texan Gardens-Tabasco, N. (Cons) Field drops below 100% of deliverability. If the market demand for gas in the Texan Gardens-Tabasco, N. (Cons) Field drops below 100% of deliverability while the allocation formula is suspended, the operator shall immediately notify the Commission and the allocation formula shall be immediately reinstated.

Done this 17th day of June, 2014

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by
Hearings Divisions' Unprotected Master
Order dated June 17, 2014)

Oil & Gas Docket No. 04-0287591 Attachment A**Tabasco, North Field** RRC Field ID

Tabasco, North (A Sand)	88105002
Tabasco, North (H)	88105250
Tabasco, North (Heard)	88105500
Tabasco, North (K)	88105625
Tabasco, North (P)	88105750
Tabasco, North (R)	88105760
Tabasco, North (R, FB-1)	88105762
Tabasco, North (R, FB-2)	88105766
Tabasco, North (R, FB-3)	88105770

Texan Gardens Field RRC Field ID

Texan Gardens (Heard, First)	89070125
Texan Gardens (Heard Massive)	89070187
Texan Gardens (Heard, Third)	89070250
Texan Gardens (K Sand)	89070298
Texan Gardens (K, NW)	89070299
Texan Gardens (L Sand)	89070300
Texan Gardens (Mission)	89070320
Texan Gardens (O Sand)	89070340
Texan Gardens (O, East)	89070341
Texan Gardens (O, South)	89070342
Texan Gardens (O, W)	89070344
Texan Gardens (P Sand)	89070345
Texan Gardens (P, NW)	89070348
Texan Gardens (R, FB-4)	89070350
Texan Gardens (R Sand)	89070360
Texan Gardens (R, South)	89070361
Texan Gardens (R, West)	89070362
Texan Gardens (S Sand)	89070363
Texan Gardens (T Sand)	89070364
Texan Gardens (S, West)	89070369
Texan Gardens (Texan Garden 1st)	89070375
Texan Gardens (Texan Garden 3rd)	89070500
Texan Gardens (V Sand)	89070537
Texan Gardens (5400)	89070541
Texan Gardens (5600)	89070542
Texan Gardens (5700)	89070548
Texan Gardens (5800)	89070553
Texan Gardens (5900)	89070559
Texan Gardens (7400)	89070581
Texan Gardens (8300)	89070625
Texan Gardens (8800)	89070750
Texan Gardens (9300)	89070875
Texan Gardens (10400)	89070900