

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

**OIL AND GAS DOCKET
NO. 04-0252364**

**IN THE SARITA, EAST (FRIO) AND THE
SARITA, EAST (LOWER FRIO CONS.)
FIELDS, KENEDY COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION
OF NEWFIELD EXPLORATION COMPANY
FOR RULE 10 EXCEPTION ON ALL LEASE IT OPERATES
IN THE SARITA, EAST (FRIO) FIELD AND
THE SARITA, EAST (LOWER FRIO CONS.) FIELD
KENEDY COUNTY**

The Commission finds that after statutory notice in the above-numbered docket heard on July 18, 2007, 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 application of Newfield Exploration Company for exceptions to Statewide Rule 10 for all existing and future wells operated by Newfield Exploration Company, or its successors, in the the Sarita, East (Frio) and Sarita, East (Lower Frio Cons.) Fields, Kenedy County, Texas are hereby approved. For wells which are commingled in the subject fields after the effective date of this order, commingled production shall be assigned to the Sarita, East (Lower Frio Cons.) Field for proration purposes. Wells on the lease which have existing commingling authority for the subject fields will remain assigned to the field in which they are currently assigned.

Further, acreage assigned to wells on these leases/units for allocation of allowable shall not be assigned to any other well or wells projected to or completed in the the Sarita, East (Frio) and Sarita, East (Lower Frio Cons.) Fields; such duplicate assignment of acreage is not acceptable, provided however, that this limitation shall not prevent the reformation of development or proration units so long as no duplicate assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations.

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For any well downhole commingled in the Sarita, East (Frio) and Sarita, East (Lower Frio Cons.) Fields, Newfield Exploration, or its successors, shall file the appropriate completion forms and/or other forms as required by the Commission and shall file at the same time the appropriate Commission required administrative Rule 10 exception downhole commingling fee.

Done this 14th day of August, 2007.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated August
14, 2007)**