

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

**OIL AND GAS DOCKET
NO. 04-0248382**

**IN THE NINE MILE POINT (CONSOL. FLD.)
FIELD, ARANSAS COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF EOG RESOURCES, INC
IN THE NINE MILE POINT (CONSOL. FLD) FIELD
ARANSAS COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on September 27, 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.

It is ordered by the Railroad Commission of Texas that EOG Resources, Inc is hereby granted permission to produce the Nine Mile Point Field Consolidated Gas Unit Well No. 15 in the Nine Mile Point (Consol. Fld.) Field under increased net gas-oil ratio authority with a casinghead gas limit of 6,000 MCFD. It is further ordered the subject well's oil allowable shall not be penalized unless the above permitted casinghead gas limit is exceeded. Further, it is ordered that the most efficient rate of production for Nine Mile Point Field Consolidated Gas Unit Well No. 15 in the Nine Mile Point (Consol. Fld.) Field is established at 500 barrels of oil per day. The net GOR and MER are temporary and effective for 12 months from the effective date of this order. **Prior to the expiration date of this order on October 30, 2007**, the operator of the subject well shall provide data for the Commission staff to administratively evaluate modification, termination or continuation of the net GOR and MER on a permanent basis. If no data is submitted, the MER and net GOR shall be administratively terminated.

It is ordered that the Nine Mile Point (Consol. Fld.) Field is classified as Associated-Prorated and the gas wells shall not be subject to allowables pursuant to Statewide Rule 49(b).

Further, it is ordered by the Railroad Commission of Texas that suspension of the allocation formula in the Nine Mile Point (Consol. Fld.) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Nine Mile Point (Consol. Fld.) Field drops below 100% of deliverability. If the market demand for gas in the Nine Mile Point (Consol. Fld.) Field drops below 100% of deliverability while the allocation formula is suspended, the

OIL AND GAS DOCKET NO. 04-0248382

operator shall immediately notify the Commission and the allocation formula shall be immediately reinstated. Failure to give such notice to the Commission may result in a fine (as provided for in Tex. Nat. Res. Code §86.222) for each day the operators fail to give notice to the Commission.

It is further ordered that all accumulated overproduction for the Nine Mile Point Flined Consolidated Gas Unit Well No. 15 (RRC No. 099731) be canceled.

Done this 30th day of October, 2006.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by OGC
Unprotested Master Order dated October 30,
2006)**