

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

**OIL AND GAS DOCKET  
NO. 02-0248613**

**IN THE MATAGORDA BLOCK 620  
(4450 SD) FIELD, OFFSHORE  
CALHOUN COUNTY, TEXAS,**

**FINAL ORDER  
APPROVING THE APPLICATION OF SABCO OPERATING COMPANY  
FOR EXCEPTION TO STATEWIDE RULE 26  
FOR THE STATE TRACT 659-L NW/4 AND STATE LEASE 629-L SW/4 LEASES  
IN THE MATAGORDA BLOCK 629 (4450 SD) FIELD  
OFFSHORE CALHOUN COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on September 11, 2006, the presiding examiners have made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record; 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 proposal for decision, 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 Sabco Operating Company to surface commingle production from the State Tract 659-L NW/4 lease and the State Lease 629-L SW/4 lease in the Matagorda Block 629 (4450 Sd) Field, is hereby **APPROVED**. As a special condition to this authority, Sabco Operating Company must separately test the State Tract 659-L NW/4 Well No. 2 a minimum of 9 days per month and a maximum of 15 days per month.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party of interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the parties are notified of the order.

Each exception to the examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not granted herein are denied.

Done this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**RAILROAD COMMISSION OF TEXAS**

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**Chairman Elizabeth A. Jones**

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**Commissioner Michael L. Williams**

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**Commissioner Victor G. Carrillo**

**ATTEST:**

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**Secretary**