

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

**OIL AND GAS DOCKET  
NO. 04-0247622**

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

**FINAL ORDER  
APPROVING THE APPLICATION OF NEWFIELD EXPLORATION COMPANY  
FOR NEW FIELD DISCOVERY DESIGNATION FOR THE  
SARITA, EAST (LOWER FRIO CONS.) FIELD, KENEDY COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on July 7, 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.

Therefore, it is ordered by the Railroad Commission of Texas that the application of Newfield Exploration Company, for a new field discovery for the Sarita, East (Lower Frio Cons.) Field (RRC Field No. 81116-250), Kenedy County, Texas be and hereby is approved.

Therefore, it is ordered by the Railroad Commission of Texas that the following operating rules shall be adopted for the Sarita, East (Lower Frio Cons.) Field, Kenedy County, Texas.

**RULE 1:** The entire combined correlative interval from 14,850' to 17,080' as shown on the Baker Hughes High Definition Induction log Compensated Z-Densilog Compensated Neutron Gamma Ray log of the Newfield Exploration Company, Mrs. S.K. East "B" Lease Well No. 70 (API No. 42-261-31391), De La Garza, S & D Survey, A-37, Kenedy County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Sarita, East (Lower Frio Cons.) Field.

**RULE 2:** The daily allowable production of gas from individual wells completed in a non-associated gas reservoir of 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:

FIVE percent (5%) of the total field allowable shall be allocated equally among the proratable wells in the field.

NINETY-FIVE percent (95%) of the total field 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 this field.

It is further ordered that all overproduction for the Mrs. S.K. East "B" Lease Well No. 70 (API No. 42-261-31391) is hereby canceled.

Done the 8th day of August, 2006.

**RAILROAD COMMISSION OF TEXAS  
(Order approved and signatures affixed by OGC  
Unprotested Master Order dated August 8, 2006)**