

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

**OIL AND GAS DOCKET  
NO. 04-0260838**

**IN THE PESADIZO, N.W. (FRIO, LWR)  
FIELD, KENEDY COUNTY, TEXAS**

**FINAL ORDER  
APPROVING THE APPLICATION OF  
NEWFIELD EXPLORATION COMPANY FOR NEW FIELD DESIGNATION  
PESADIZO, N.W. (FRIO, LWR) FIELD  
KENEDY COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on March 5, 2009, 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 new field designation for its John G. Kenedy Jr. Well No. 2. is hereby approved. The new field shall be known as the Pesadizo, N.W. (Frio, Lwr) Field, ID No. 70800 500, Kenedy County, Texas.

It is further ordered that the following field rules are hereby adopted for the Pesadizo, N.W. (Frio, Lwr) Field, Kenedy County, Texas:

**RULE 1:** The entire correlative interval between 15,700 feet to 17,460 feet, as shown on the Gamma Ray log of the Newfield Exploration Co. John G. Kenedy Jr. Well No. 2 (API No. 261 31487), De La Garza, A&D Survey, A-37, Kenedy County, shall be designated as a single reservoir for proration purposes and be designated as the Pesadizo, N.W. (Frio, Lwr) Field.

**RULE 2:** The daily allowable production of gas from individual 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:

FIVE percent (5%) of the field's total allowable shall be allocated equally among all the individual proratable wells producing from the field.

NINETY-FIVE percent (95%) 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.

Done this 31<sup>st</sup> day of March, 2009.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotested Master Order dated March  
31, 2009)**