

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

**OIL AND GAS DOCKET  
NO. 05-0227394**

**IN THE STEELE CREEK (COTTON  
VALLEY) FIELD, LIMESTONE COUNTY,  
TEXAS**

**FINAL ORDER  
APPROVING THE APPLICATION OF SKLAR-TEX, L.L.C.  
FOR NEW FIELD DESIGNATION AND ADOPTION OF FIELD RULES  
FOR THE STEELE CREEK (COTTON VALLEY) FIELD  
LIMESTONE COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on August 30, 2001, 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 Sklar-Tex, L.L.C. for a New Field Designation to be known as the Steele Creek (Cotton Valley) Field (No. 85809 300), Limestone County, Texas, be and it is hereby approved.

It is further **ORDERED** by the Railroad Commission of Texas that the following field rules be and are hereby adopted for the Steele Creek (Cotton Valley) Field.

RULE 1: The entire correlative interval from 8510 feet to 9400 feet as shown on the Gamma Ray log of the Sklar-Texas L.L.C. Jackson Lease Well No. 1, Henry Dawson Survey, Limestone County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Steele Creek (Cotton Valley) Field.

RULE 2: The daily allowable production of gas from individual wells completed in a non-associated gas reservoir of the subject fields 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 each field's total allowable shall be allocated equally among all the individual proratable wells producing from that field.

NINETY-FIVE percent (95%) of each 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 that field.

Done this twentieth day of September, 2001.

**RAILROAD COMMISSION OF TEXAS**

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**Chairman Michael L. Williams**

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**Commissioner Charles R. Matthews**

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**Commissioner Tony Garza**

**ATTEST**

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**Secretary**