

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

**OIL AND GAS DOCKET
NO. 01-0263918**

**IN THE SALT FLAT (EDWARDS) FIELD,
CALDWELL COUNTY, TEXAS**

**FINAL ORDER
ESTABLISHING THE MOST EFFICIENT RATE OF PRODUCTION
AND AMENDING RULE 3
FOR THE SALT FLAT (EDWARDS) FIELD
CALDWELL COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on March 4, 2010, 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 most efficient rate of production at the current time for the each well in the Salt Flat (Edwards) Field is 500 BOPD. It is further ordered that all overproduction in the Salt Flat (Edwards) Field is hereby canceled.

It is further ORDERED by the Railroad Commission of Texas that the following rule shall be amended for the Salt Flat (Edwards) Field, Caldwell County, Texas.

RULE 3: The standard drilling and proration units are established hereby to be TWO (2) acres. No proration unit shall consist of more than TWO (2) acres except as hereinafter provided. All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of oil. No double assignment of acreage will be accepted. There is no maximum diagonal limitation in this field.

If after the drilling of the last well on any lease and the assignment of acreage to each well thereon in accordance with the regulations of the Commission there remains an additional unassigned acreage of less than TWO (2) acres, then and in such event the remaining unassigned acreage up to and including a total of ONE (1) acre may be assigned as tolerance acreage to the last well drilled on such lease or may be distributed among any

group of wells located thereon, so long as the proration units resulting from the inclusion of such additional acreage meet the limitations prescribed by the Commission.

For the determination of acreage credit in this field, operators shall file for each well in this field a Form P-15 Statement of Productivity of Acreage Assigned to Proration Units. On that form or an attachment thereto, the operator shall list the number of acres that are being assigned to each well on the lease or unit for proration purposes.

Operators shall be required to file, along with the Form P-15, a plat of the lease, unit or property; provided that such plat shall not be required to show individual proration units. Notwithstanding the above, operators shall be required to file an as-drilled plat showing the path, penetration point and terminus of all drainholes in horizontal wells.

Done this 20th day of April, 2010.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed
by OGC Unprotested Master Order
dated April 20, 2010)**