

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

**OIL AND GAS DOCKET  
NO. 02-0267021**

**FINAL ORDER  
CONSOLIDATING VARIOUS RAY AND SAN DOMINGO FIELDS  
INTO A NEW FIELD CALLED  
THE RAY (VICKSBURG-HOCKLEY) FIELD AND  
ADOPTING FIELD RULES FOR THE  
RAY (VICKSBURG-HOCKLEY) FIELD  
BEE COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on September 22, 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 fields listed on Appendix A located in Bee County, Texas, are hereby combined into a new field called the Ray (Vicksburg-Hockley) Field (No. 74901 750):

It is further ordered that the following rules are adopted for the Ray (Vicksburg-Hockley) Field :

**RULE 1:** The entire correlative interval from 2,744 feet to 4,050 feet as shown on the log of the James W. Staples Production Co., Lon S. Moore Lease Well No. 2, API No. 025-31828, J.M. Uranga Survey, A-68, Bee County, shall be designated as a single reservoir for proration purposes and be designated as the Ray (Vicksburg-Hockley) Field.

**RULE 2:** No oil or gas well shall hereafter be drilled nearer than THREE HUNDRED THIRTY (330) feet to any property line, lease line or subdivision line and there is no between-well spacing limitation for wells in this field. The aforementioned distances in the above rule are minimum distances to allow an operator flexibility in locating a well. The Commission will grant exceptions to permit drilling within shorter distances and drilling more wells than herein prescribed whenever the Commission determines that such exceptions are necessary either to prevent waste or to prevent the confiscation of property. When exception to these rules is desired, application therefor shall be filed and will be acted upon in accordance with the provisions of Commission Statewide Rules 37 and 38, which applicable provisions of said rules are incorporated herein by reference.

In applying this rule, the general order of the Commission with relation to the

subdivision of property shall be observed.

**RULE 3:** The acreage assigned to the individual oil well for the purpose of allocating allowable oil production thereto shall be known as a proration unit. The standard drilling and proration units are established hereby to be TEN (10) acres. No proration unit shall consist of more than TEN (10) 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.

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 TEN (10) acres, then and in such event the remaining unassigned acreage up to and including a total of FIVE (5) acres 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

There is no maximum diagonal limitation in this field and operators are not required to file Form P-15 and plats, except an as-drilled plat showing the path, penetration point and terminus of all drainholes in horizontal wells.

**RULE 4:** The subject field shall be designated as associated-prorated. 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.

It is further ordered that the allocation formula in the Ray (Vicksburg-Hockley) Field will be suspended. The allocation formula may be reinstated administratively, in accordance with the Commission's rules, if the market demand for gas in the Ray (Vicksburg-Hockley) Field drops below 100% of deliverability.

It is further ordered that the Ray (Vicksburg-Hockley) Field shall be classified as salvage, with no regulatory limitation on oil or casinghead gas production.

Done this 12<sup>th</sup> day of October, 2010.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotested Master Order dated  
October 12, 2010)**

Attachment "A"

<u>Field Name</u>	<u>Field Number</u>
RAY	74891 001
RAY (3100 FRIO)	74901 800
SAN DOMINGO (VICKSBURG)	80193 498
SAN DOMINGO S. (VICKSBURG)	80197 426
SAN DOMINGO, S. (3100 SD.)	80197 710
SAN DOMINGO (VICKSBURG-G- SD.)	80193 664
SAN DOMINGO, S. (VICKSBURG, UP.)	80197 568
SAN DOMINGO, S. (HOCKLEY)	80197 142
SAN DOMINGO (HOOK)	80193 166
SAN DOMINGO, S. (2800)	80197 700
SAN DOMINGO, S. (HOCKLEY, 2ND)	80197 146
SAN DOMINGO, S. (3200)	80197 750
SAN DOMINGO (PETTUS)	80193 360