

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

**OIL AND GAS DOCKET
NO. 03-0243278**

**IN THE NEWTON FIELD, NEWTON
COUNTY, TEXAS**

**FINAL ORDER
CONSOLIDATING VARIOUS FIELDS INTO THE NEWTON FIELD
AND AMENDING THE FIELD RULES FOR THE NEWTON FIELD AS
ADOPTED BY ORDER NO. 03-0222493, EFFECTIVE OCTOBER 5, 1999
FOR THE NEWTON FIELD, NEWTON COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on July 20, 2005, 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 Sheraliz (W3-B), Sheraliz (W8) and Sheraliz (Wilcox 2) Fields are consolidated into the Newton Field, Newton County, Texas.

It is further ordered by the Commission that the field rules for the Newton Field located in Newton County, Texas, as adopted by Order No. 03-0222493, effective October 5, 1999, are amended by the addition of Rule No. 3 and adopted as hereinafter set out:

RULE 3: Any permitted well at a non-regular surface location with respect to minimum lease line and between well spacing may be drilled using conventional tools and drilling methods to a depth of $\pm 4,000$ feet and then directionally drilled to at least a regular lease line/between well location (as prescribed by Statewide Rules or Special Field Rules) at a subsurface depth of $\pm 8,000$ feet. The remainder of the wellbore may then be drilled using conventional drilling tools and drilling methods to the total/completion interval depth. Inclination surveys shall be run in accordance with the requirements of Statewide Rule 11. An operator will not be required to run directional surveys over portions of the wellbore that were not drilled using directional orientation tools. Copies of all directional or inclination surveys, regardless of the reason for which they are run, shall be filed as a part of or in addition to the inclination surveys.

Done this the _____ day of _____, 2005.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by OGC
Unprotested Master Order dated _____,
2005)**