

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

**OIL AND GAS DOCKET
NO. 04-0225962**

**IN THE T.-C.-B. (UPPER FRIO CONS.)
FIELD, JIM WELLS COUNTY, TEXAS**

**FINAL ORDER
CONSOLIDATING VARIOUS TIJERINA-CANALES-BLUCHER
AND T.-C.-B. FIELDS INTO A NEW FIELD
AND ADOPTING FIELD RULES FOR THE RESULTANT
T.-C.-B. (UPPER FRIO CONS.) FIELD
JIM WELLS COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on November 7, 2000, 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 Freedom Energy Corporation for a New Field Designation to be known as the T.-C.-B. (Upper Frio Cons.) Field (No. 89945 300), Jim Wells County, Texas, be and it is hereby approved.

It is further **ORDERED** that the following fields, located in Jim Wells County, Texas, be and they are hereby consolidated into the T.-C.-B. (Upper Frio Cons.) Field:

Tijerina-Canales-Blucher	89945 001
Tijerina-Canales-Blucher (Carl)	89945 033
T.-C.-B. (Conrad)	89945 055
T.C.B. (Corgey West)	89945 058
T.-C.-B. (Stevens)	89945 275
T.-C.-B. (Stewart 6900)	89945 286
T.-C.-B. (20-I-03, W)	89945 390
T.-C.-B. (21-A1)	89945 396
Tijerina-Canales-Blucher (21-B)	89945 418
T.-C.-B. (21-B4, W)	89945 440
Tijerina-Canales-Blucher (6650)	89945 506
TCB (6520)	89945 510
Tijerina-Canales-Blucher (6800)	89945 517
T.-C.-B. (6900 Charles)	89945 528
T.C.B. (6900 Charles, N.)	89945 530
T.-C.-B. (7000 Charles)	89945 539
T-C-B (6850 Corgey)	89945 545

T.-C.-B (7100 Jones)	89945 561
Tijerina-Canales-Blucher (7125)	89945 572
T.-C.-B. (7130 Franz)	89945 583

All Wildcat intervals between the above listed fields.

It is further **ORDERED** by the Railroad Commission of Texas that field rules for the following fields, be and they are hereby rescinded.

Tijerina-Canales-Blucher	89945 001
T.-C.-B. (Conrad)	89945 055
T.-C.-B. (21-A1)	89945 396
Tijerina-Canales-Blucher (21-B)	89945 418
T.-C.-B. (21-B4, W)	89945 440
T.-C.-B. (6900 Charles)	89945 528
T.C.B. (6900 Charles, N.)	89945 530
T.-C.-B (7100 Jones)	89945 561

It is further **ORDERED** that the following field rules be and are hereby adopted for the T.-C.-B. (Upper Frio Cons.) Field, Jim Wells County, Texas.

RULE 1: The entire correlative interval from 6500 feet as shown on the radioactivity log of Well No. 61 to 7200 feet shown on the electric log of Well No. 70, Texaco, Inc., H.C. De Tijerina Lease, A.B. & M Survey, Jim Wells County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the T.-C.-B. (Upper Frio Cons.) Field.

RULE 2: No well for gas shall hereafter be drilled nearer than THREE HUNDRED THIRTY (330) feet to any property line, lease line or subdivision line and no well shall be drilled nearer than SIX HUNDRED SIXTY (660) feet any applied for, permitted or completed well in the same reservoir on the same lease, pooled unit or unitized tract. The aforementioned distances in the above rule are minimum distances to allow an operator flexibility in locating a well, and the above spacing rule and the other rules to follow are for the purpose of permitting only one well to each drilling and proration unit. Provided however, that the Commission will grant exceptions to permit drilling within shorter distances and drilling more wells than herein prescribed whenever the Commission shall have determined 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. The standard drilling unit will remain FORTY (40) acres.

In applying this rule the general order of the Commission with relation to the subdivision of property shall be observed.

RULE 3: Upon compliance with the following requirements, an operator, at its option, shall be granted an administrative exception to Statewide Rule 10 and permitted to commingle the T.-C.-B. (Upper Frio Cons.) Field with the Zone 21-B Trend Field in the same wellbore:

a. Upon the filing of an application for an exception to Statewide Rule 10 to downhole commingle a well completed in the Zone 21-B Trend Field and in the T.-C.-B. (Upper Frio Cons.) Field, the applicant shall send written notice of application to the operator of (1) each tract that is both adjacent to the lease or pooled unit for which the applicant proposes the Rule 10 Exception and

within 1200 feet from the well proposed for commingling and (2) each tract that is 467 feet or less from the location of the well proposed for commingling.

b. An operator receiving the written notification shall have twenty-one (21) days from the date of the notice to file written protest with the Commission.

c. If no written protest is received by the Railroad Commission within the twenty-one (21) day period of time, or if written waivers are received from each operator to whom notice is required, the application shall be approved administratively by the Commission without additional evidence or hearing.

d. If a written protest is received by the Commission within twenty-one (21) days of the date the notice, the application will be scheduled for hearing.

e. Permits granted pursuant to this rule shall be issued as exceptions to Statewide Rule 10.

f. Wells commingled under this rule shall be assigned to the Zone 21-B Trend Field.

RULE 4: The daily allowable production of gas from individual wells completed in a non-associated gas reservoir of 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 total field allowable shall be allocated equally among the individual proratable wells producing from this field.

NINETY-FIVE percent (95%) of the total field 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 this field.

Signed this fifth day of December, 2000.

RAILROAD COMMISSION OF TEXAS

Chairman Michael L. Williams

Commissioner Charles R. Matthews

Commissioner Tony Garza

ATTEST:

Secretary