

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

**OIL AND GAS DOCKET
NO. 04-0248559**

**IN THE BRAULIA, EAST
(VICKSBURG CONS.) FIELD,
STARR COUNTY, TEXAS**

**FINAL ORDER
CONSOLIDATING THE BRAULIA, EAST (7455 VICKSBURG),
BRAULIA EAST (7900 VICKSBURG), BRAULIA (RINCON 1),
BRAULIA (RINCON III) AND BRAULIA (RINCON 5440) FIELDS
INTO THE BRAULIA, EAST (VICKSBURG CONS.) FIELD;
AND ADOPTING OPERATING RULES AND REGULATIONS
FOR THE BRAULIA, EAST (VICKSBURG CONS.) FIELD
STARR COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on August 24, 2006, the presiding examiner has made and filed a report and recommendation containing findings of fact and conclusions of law, which was served on all parties of record; 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 Braulia, East (7455 Vicksburg), Braulia East (7900 Vicksburg), Braulia (Rincon 1), Braulia (Rincon III) and Braulia (Rincon 5440) Fields be and are hereby combined and recognized as a new field, to be known as the Braulia, East (Vicksburg Cons.) Field (No. 60558 200), Starr County, Texas; and all records and reports filed with the Commission will show such designation.

It is further **ORDERED** by the Commission that the operating rules as hereinafter set out, be and are hereby adopted for the Braulia, East (Vicksburg Cons.) Field, Starr County, Texas.

RULE 1: The entire correlative interval from 5112 feet to 9784 feet as shown on the electric log of the Kerr-McGee Oil & Gas Onshore L.P. Chapotal Land Co. -A- Lease Well No. 29, API No. 427-33930, Ygnacio Trevino Porcion 99 Survey, A-270, Starr County, shall be designated as the Braulia, East (Vicksburg Cons.) Field.

RULE 2: No well for gas shall hereafter be drilled nearer than FOUR HUNDRED SIXTY-SEVEN (467) feet to any property line, lease line, or subdivision line; and there is NO minimum distance from any well to 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 drilling units will be 40 acres.

In applying this rule, the general order of the Commission with relation to the subdivision of property shall be observed. Operators are not required to file certified plats of their properties in said field.

RULE 3: 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.

It is further **ORDERED** by the Railroad Commission of Texas that the allocation formula in the Braulia, East (Vicksburg Cons.) Field be suspended. The allocation formula may be reinstated administratively if the market demand for gas in the Braulia, East (Vicksburg Cons.) Field drops below 100% of deliverability.

Done this twelfth day of September, 2006.

RAILROAD COMMISSION OF TEXAS
(Order approved and signatures affixed by
OGC Unprotested Master Order dated
September 12, 2006.)