

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

**OIL AND GAS DOCKET  
NO. 04-0249172**

**FINAL ORDER  
CONSOLIDATING VARIOUS FIELDS INTO A NEW FIELD CALLED  
THE INDIAN POINT (LOWER FRIO CONS.) FIELD AND  
ADOPTING FIELD RULES FOR THE  
INDIAN POINT (LOWER FRIO CONS.) FIELD  
NUECES COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on November 17, 2006, 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 following fields located in Nueces County, Texas, are hereby combined into a new field called the Indian Point (Lower Frio Cons.) Field (No. 44441 780):

<b><u>FIELD NAME</u></b>	<b><u>FIELD NUMBER</u></b>
Indian Point (F-17) Field	444 41735
Indian Point (F-18) Field	444 41737
Indian Point (Moore) Field	444 41785
Indian Point (F-20) Field	444 41741
Indian Point (G-2) Field	444 41750
Indian Point (G-3) Field	444 41770
Indian Point (Watson) Field	444 41805
Indian Point (Commonwealth) Field	444 41035

It is further ordered that the following rules are adopted for the Indian Point (Lower Frio Cons.) Field:

**RULE 1:** The entire correlative interval between 10,190 feet and 12,210 feet, as shown on the log of the State Tract 786 well No. 8, API No. 355-06056, Nueces Bay State Tract 786, Nueces County, shall be designated as a single reservoir for proration purposes and be designated as the Indian Point (Lower Frio Cons.) Field.

RULE 2: No well shall hereafter be drilled nearer than FOUR HUNDRED SIXTY SEVEN (467) feet to any property line, lease line or subdivision line. There is no between-well spacing limitation for wells in this field. The standard drilling unit shall remain forty (40) acres per well.

RULE 3: 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 prorable 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 prorable wells producing from the field.

Done this 19<sup>th</sup> day of December, 2006.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotested Master Order dated  
December 19, 2006)**