

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

**OIL AND GAS DOCKET
NO. 02-0222646**

**IN THE DRY HOLLOW (WILCOX
MASSIVE FIELD, LAVACA COUNTY,
TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF
COASTAL OIL & GAS CORPORATION
TO ADOPT RULES AND REGULATIONS
FOR THE DRY HOLLOW (WILCOX MASSIVE) FIELD
LAVACA COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on September 28, 1999, 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 rules shall be adopted for the Dry Hollow (Wilcox Massive) Field, Lavaca County, Texas.

RULE 1: The entire correlative interval whose top is shown at 14,090 feet on the Gamma Ray log of the Coastal Oil & Gas Corp. O.A. Lampley Well No. 6, P. Huerta Survey, and whose base is shown at 15,770 feet on the Gamma Ray log of the Coastal Oil & Gas Corp. O.A. Lampley Lease Well No. 9, N. Peck Survey, Lavaca County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Dry Hollow (Wilcox Massive) Field.

RULE 2: 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 all 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.

Effective this nineteenth day of October, 1999.

RAILROAD COMMISSION OF TEXAS

Chairman Michael L. Williams

Commissioner Charles R. Matthews

Commissioner Tony Garza

ATTEST:

Secretary

MA