RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 03-0236304 IN THE KACEE (CRUEL) FIELD, COLORADO COUNTY, TEXAS

FINAL ORDER ADOPTING OPERATING RULES FOR THE KACEE (CRUEL) FIELD COLORADO COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on October 15, 2003, 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 field rules be and are hereby adopted for the Kacee (Cruel) Field.

- RULE 1: The entire correlative interval from 11,050 feet to 11,910 feet as shown on the induction-density-neutron log of the Cabot Oil & Gas Corporation E.P. Cooper Gas Unit 2 Lease, Well No. 3, API No. 089-32118, I & GN R.R. Co. #15 Survey, Colorado County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Kacee (Cruel) Field.
- RULE 2: The daily allowable production of gas from individual wells completed in a 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 in the field.

NINETY-FIVE percent (95%) of the 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 proratable wells producing from the field.

Done this thirteenth day of November, 2003.

RAILROAD COMMISSION OF TEXAS (Order approved and signatures affixed by OGC Unprotested Master Order dated November 13, 2003.)