

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

**OIL AND GAS DOCKET
NO. 04-0230098**

**IN THE PENITAS CREEK (2300) FIELD, JIM
WELLS COUNTY, TEXAS**

**FINAL ORDER
RESCINDING FIELD RULES
IN THE PENITAS CREEK (2300) FIELD
JIM WELLS COUNTY, TEXAS**

The Commission finds that the proposed application is in compliance with all statutory requirements, and that this proceeding was duly submitted to the Commission at conference held in its offices on December 20, 2001, in Austin, Texas.

FINDINGS OF FACT

1. There have been no wells in the Penitas Creek (2300) Field for at least two years.
2. Temporary field rules for the Penitas Creek (2300) Field were adopted by Order No. 4-86,934, effective March 10, 1986; and these rules were made permanent under Order No. 4-90,560, effective October 12, 1987.
3. The rules provide for 1320'-2640' well spacing, 320-acre density and 100% acreage allocation.
4. The last production in the field was in 1989, from the Petroleum Management Inc., Four L Ranch Well Nos. 3 and 4.
5. All three wells that were active in this field have been properly plugged.
6. Dinero Operating Company plans to redevelop this field area and rescinding the field rules will promote further development.
7. There have been no permits issued within the last two years for wells in the Penitas Creek (2300) Field.

CONCLUSIONS OF LAW

1. Proper notice was issued by the Railroad Commission of Texas.
2. All things have been done and occurred to give the Railroad Commission of Texas jurisdiction to decide this matter.
3. Rescinding field rules for the Penitas Creek (2300) Field will promote conservation and prevent waste.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that:

1. The special rules for the Penitas Creek (2300) Field, adopted in Final Order No. 4-86,934, effective March 10, 1986, as amended, are rescinded.
2. Statewide Rules are effective for the Penitas Creek (2300) Field until further ordered.

Effective this twentieth day of December, 2001.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN MICHAEL L. WILLIAMS

COMMISSIONER CHARLES R. MATTHEWS

COMMISSIONER TONY GARZA

ATTEST:

Secretary