RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL HEARINGS SECTION

OIL AND GAS DOCKET NO. 04-0247940 IN THE TIFFANY (WILCOX CARRIZO) FIELD, WEBB COUNTY, TEXAS

FINAL ORDER
AMENDING FIELD RULE NO. 2 OF THE FIELD RULES
ADOPTED IN FINAL ORDER NO. 04-0236298
ISSUED EFFECTIVE OCTOBER 21, 2003,
FOR THE TIFFANY (WILCOX CARRIZO) FIELD,
WEBB COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on July 19, 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 Special Field Rule No. 2 adopted in Final Order No. 04-0236298, effective October 21,2003, as amended, for the Tiffany (Wilcox Carrizo) Field, Webb County, Texas be and is amended as hereafter set out.

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. In applying this rule the general order of the Commission with relation to the subdivision of property shall be observed. Not withstanding the above, no horizontal drainhole well for oil or gas shall hereinafter be drilled such that the terminus of a horizontal drainhole within the correlative interval is nearer than THREE HUNDRED AND SIXTY-SEVEN (367) feet to any property line, lease line or subdivision line.

It is further ordered that the allocation formula remain suspended pursuant to Statewide Rule 31(j).

Done this 8th day of August, 2006.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated August 8, 2006)