

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

**OIL AND GAS DOCKET
NO. 04-0248345**

**IN THE MERCEDES (3-D) FIELD,
HIDALGO COUNTY, TEXAS**

**FINAL ORDER
RESCINDING FIELD RULES
IN THE MERCEDES (3-D) FIELD
HIDALGO COUNTY, TEXAS**

The Commission finds that, after statutory notice in the above-numbered docket that was reviewed on August 14, 2006, 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 August 22, 2006, in Austin, Texas.

FINDINGS OF FACT

1. There have been no wells in the Mercedes (3-D) Field for at least two years.
2. Field rules for the Mercedes (3-D) Field were adopted by Final Order No. 4-50,168, effective August 1, 1962.
3. The final order adopted the following rules: 660'-1320' well spacing; 320-acre density; and allocation based 75% on acreage and 25% per well.
4. There have been no permits issued for this field in the last two years.
5. EOG Resources, Inc. plans to further develop the field area, and rescinding field rules will promote development in this 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 Mercedes (3-D) Field will promote conservation and prevent waste.

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

1. The special rules for the Mercedes (3-D) Field, adopted in Final Order No. 4-50,168, effective August 1, 1962, are rescinded.
2. Statewide Rules are effective for the Mercedes (3-D) Field until further ordered.

Done this 22nd day of August, 2006.

RAILROAD COMMISSION OF TEXAS
(Order approved and signatures affixed by
OGC Unprotested Master Order dated
August 22, 2006.)