

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

**OIL AND GAS DOCKET
NO. 04-0255995**

**IN VARIOUS BOB WEST FIELDS, STARR
AND ZAPATA COUNTIES, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION
OF EL PASO E & P COMPANY, LP
TO AMEND THE FIELD RULES 3 AND 4
FOR VARIOUS BOB WEST FIELDS
STARR AND ZAPATA COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on April 10, 2008, 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 Field Rules 3 and 4 be amended for the Bob West Fields listed below in Starr and Zapata Counties, Texas.

<u>FIELD NAME</u>	<u>FIELD NUMBER</u>
Bob West (L-1-4)	10041 138
Bob West (L-5-10)	10041 143
Bob West (L-12, 13, 14, 15)	10041 151
Bob West (L-18, 20, 21, 22)	10041 228
Bob West (L-24, 25, 26)	10041 250
Bob West (L-27, 28, 29)	10041 350
Bob West (L-30, 31, 32, 33)	10041 375
Bob West (L-34-47)	10041 376
Bob West (Roleta)	10041 500

RULE 3: The acreage assigned to an individual gas well shall be known as a proration unit. The standard drilling and proration units are established hereby to be FORTY (40) acres. No proration unit shall consist of more than FORTY (40) acres; provided that, tolerance acreage of ten (10) percent shall be allowed for each standard proration unit so that an amount not to exceed a maximum of FORTY FOUR (44) acres may be assigned. Each proration unit containing less than FORTY (40) acres shall be a fractional proration unit.

An operator, at his option, shall be permitted to form optional drilling and proration units of TWENTY (20) acres.

There is no maximum diagonal limitation in the subject fields and operators are not required to file Form P-15 and plats.

In applying this rule, the general order of the Commission with relation to the subdivision of property shall be observed.

RULE 4: The daily allowable production of gas from individual wells completed in the subject fields 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 field's total allowable shall be allocated equally among all the individual prorable wells producing from the field.

NINETY-FIVE percent (95%) of the field's 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 prorable wells producing from the field.

It is further ordered that the allocation formula for each of the subject Bob West Fields shall remain suspended. The allocation formula may be reinstated administratively, in accordance with the Commission's rules, if the market demand for gas in the subject Bob West Fields drops below 100% of deliverability.

It is further ordered by the Commission that the application of El Paso E & P Company, LP for exceptions to Statewide Rule 10 for all wells in the subject Bob West Fields, Starr and Zapata Counties, Texas is hereby approved. Wells may be assigned into any of the fields listed at the operators discretion.

The operator of any well downhole commingled in any combination of the subject fields shall file the appropriate completion forms and/or other forms as required by the Commission and shall file at the same time the appropriate Commission required administrative Rule 10 exception downhole commingling fee.

Done this 24th day of April, 2008.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotected Master Order dated April
24, 2008)**