

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

**OIL AND GAS DOCKET  
NO. 04-0261569**

**IN THE CISCO-BENAVIDES (LOBO  
CONS.) FIELD, WEBB AND ZAPATA  
COUNTIES, TEXAS**

**FINAL ORDER  
AMENDING THE FIELD RULES  
FOR THE CISCO-BENAVIDES (LOBO CONS.) FIELD  
WEBB AND ZAPATA COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on May 27, 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 adopted in Final Order No. 04-0221757, effective June 29, 1999, for the Cisco-Benavides (Lobo Cons.) Field, are hereby amended. The amended Field Rules are set out in their entirety as follows:

**RULE 1:** The entire Lobo Series from the top of the Lobo Unconformity to the top of the Midway Shale, which is the base of the Lobo 6 Sand, shall be designated as a single reservoir for proration purposes and be designated as the Cisco-Benavides (Lobo Cons.) Field.

**RULE 2:** No well for gas 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. The aforementioned distances in the above rule are minimum distances to allow an operator flexibility in locating a well, and the above spacing rule and the other rules to follow are for the purpose of permitting only one well to each drilling and proration unit in either field. Provided however, that the Commission will grant exceptions to permit drilling within shorter distances and drilling more wells than herein prescribed whenever the Commission shall have determined that such exceptions are necessary either to prevent waste or to prevent the confiscation of property. When exception to these rules is desired, application therefore shall be filed and will be acted upon in accordance with the provisions of Commission Statewide Rules 37 and 38, which

applicable provisions of said rules are incorporated herein by reference. The standard drilling unit shall remain FORTY (40) acres.

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

**RULE 3:** The daily allowable production of gas from individual wells completed in a non-associated 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:

NINETY percent (90%) of the total field 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 this field.

TEN percent (10%) of the field's total allowable shall be allocated equally among all the individual prorable wells producing from the field.

It is further **ORDERED** that the allocation formula in the Cisco-Benavides (Lobo Cons.) Field will remain suspended. The allocation formula may be reinstated administratively, in accordance with the Commission's rules, if the market demand for gas in the Cisco-Benavides (Lobo Cons.) Field drops below 100% of deliverability.

Operators in the Cisco-Benavides (Lobo Cons.) Field shall be required to perform annual G-10 tests pursuant to Statewide Rule 28(c).

Done this 18<sup>th</sup> day of June, 2009.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotested Master Order dated June  
18, 2009)**