

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

**OIL AND GAS DOCKET
NO. 04-0268523**

**IN THE MIDWAY, SOUTH
(CONSOLIDATED) FIELD, SAN
PATRICIO COUNTY, TEXAS**

**FINAL ORDER
AMENDING FIELD RULE NO. 2 FOR THE
MIDWAY, SOUTH (CONSOLIDATED) FIELD
SAN PATRICIO COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on January 14, 2011, 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 Field Rule No. 2 adopted in Final Order No. 04-0250221, effective March 6, 2007, for the Midway, South (Consolidated) Field, San Patricio County, Texas, is hereby amended. The amended Field Rule No. 2 is set out as follows:

RULE 2: No gas 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. The aforementioned distances in the above rule are minimum distances to allow an operator flexibility in locating a well. The Commission will grant exceptions to permit drilling within shorter distances and drilling more wells than herein prescribed whenever the Commission determines that such exceptions are necessary either to prevent waste or to prevent the confiscation of property. When exception to these rules is desired, application therefor 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.

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

It is further **ORDERED** that the allocation formula in the Midway, South (Consolidated) 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 Midway, South (Consolidated) Field drops below 100% of deliverability.

Done this 22nd day of February, 2011.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated
February 22, 2011)**