

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

**OIL AND GAS DOCKET
NO. 05-0224106**

**IN THE FARRAR (COTTON VALLEY
LIME) FIELD, FREESTONE AND
LIMESTONE COUNTIES, TEXAS**

**FINAL ORDER
ADDING A NEW RULE 1, RESCINDING EXISTING RULES 1 AND 2
AND AMENDING AND RENUMBERING EXISTING RULE 3
OF THE FIELD RULES
ADOPTED IN FINAL ORDER NO. 5-72,327
ISSUED EFFECTIVE MAY 7, 1979,
FOR THE FARRAR (COTTON VALLEY LIME) FIELD
FREESTONE AND LIMESTONE COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on March 30, 2000, 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 thereto, 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 following Rule 1 be added to the field rules adopted in Final Order No. 5-72,480, effective May 21, 1979, as amended, for the Farrar (Cotton Valley Lime) Field, Freestone and Limestone Counties, Texas.

RULE 1: The entire correlative interval from 13,146 feet to 13,488 feet as shown on the log of the Herd Producing Company, Inc., Standley Lease Well No. 2 (now the Darrell Standley Gas Unit No. 2 Lease, Well No. 2), Manuel C. Rejon Survey, Limestone County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Farrar (Cotton Valley Lime) Field.

It is further **ORDERED** by the Railroad Commission of Texas that Field Rules 1 and 2 as adopted in Final Order No. 5-72,327, issued effective May 7, 1979, as amended, for the Farrar (Cotton Valley Lime) Field, Freestone and Limestone Counties, Texas, be and they are rescinded. Rule 3, as adopted in Final Order No. 5-72,327, issued effective May 7, 1979, as amended, for the Farrar (Cotton Valley Lime) Field, Freestone and Limestone Counties, Texas, be and is hereby renumbered and amended, as hereafter set out.

RULE 2: 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:

FIVE percent (5%) of the total field allowable shall be allocated equally among all the individual prorable wells producing from this field.

NINETY-FIVE percent (95%) 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.

Done this twenty-fifth day of April, 2000.

RAILROAD COMMISSION OF TEXAS

Chairman Michael L. Williams

Commissioner Charles R. Matthews

Commissioner Tony Garza

ATTEST:

Secretary