

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

**OIL AND GAS DOCKET
NO. 06-0236680**

**IN THE ORE CITY (TRAVIS PEAK)
FIELD, UPSHUR COUNTY, TEXAS**

**FINAL ORDER
ADOPTING OPERATING RULES FOR AND SUSPENDING
THE ALLOCATION FORMULA FOR
ORE CITY (TRAVIS PEAK) FIELD
UPSHUR COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on November 16, 2003, 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 following field rules be and are hereby adopted for the Ore City (Travis Peak) Field.

RULE 1: The entire correlative interval from 7933 feet to 9672 feet as shown on the dual induction log of the Stroud Petroleum, Inc., Oberlin Lease, Well No. 2, API No. 459-31141, John T. Smith Survey, Upshur County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Ore City (Travis Peak) Field.

RULE 2 A: The daily allowable production of gas from individual wells completed in a 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 the individual prorable wells in the field.

NINETY-FIVE percent (95%) of the 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.

2 B: The maximum daily oil allowable for each well in the subject field shall be 133 barrels of oil per day, upon expiration of the discovery allowable, and the actual allowable for an individual well shall be determined by the sum total of the two following values:

Each well shall be assigned an allowable equal to its potential based on the most recent well test filed with the Commission multiplied by 75%, provided that this value shall not exceed 133 barrels of oil per day multiplied by 75%.

Each well shall be assigned an allowable equal to 5% of the maximum daily oil allowable above.

It is further **ORDERED** by the Railroad Commission of Texas that the Ore City (Travis Peak) Field, Upshur County, be and is hereby classified as an associated, prorated field for allocation purposes.

It is further **ORDERED** by the Railroad Commission of Texas that the application of Stroud Petroleum, Inc., for suspension of the allocation formula in the Ore City (Travis Peak) Field be and is hereby approved. The allocation formula may be reinstated administratively if the market demand for gas in the Ore City (Travis Peak) Field drops below 100% of deliverability.

Done this twenty-fifth day of November, 2003.

RAILROAD COMMISSION OF TEXAS
(Order approved and signatures affixed by
OGC Unprotested Master Order dated
November 25, 2003.)