

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

**OIL AND GAS DOCKET
NO. 06-0251891**

**IN THE OAKRIDGE (TRAVIS PEAK)
FIELD, NACOGDOCHES COUNTY,
TEXAS**

**FINAL ORDER
ADOPTING FIELD RULES FOR THE
OAKRIDGE (TRAVIS PEAK) FIELD
NACOGDOCHES COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on June 28, 2007, 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 are hereby adopted for the Oakridge (Travis Peak) Field.

RULE 1: The entire correlative interval from 9,382 feet to 11,626 feet as shown on the log of the Rising Sun Well No. 1, API No. 347-32165, B. De La Garza Survey, A-875, Nacogdoches County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Oakridge (Travis Peak) Field.

RULE 2a: The subject field shall be classified as associated-prorated. The daily allowable production of gas from individual wells completed in 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:

- a. FIVE percent (5%) of the field's total allowable shall be allocated equally among all the individual prorable wells producing from the field.
- b. 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.

RULE 2b: The maximum daily oil allowable for each well in the subject field shall be 157 barrels of oil per day. The actual allowable for an individual well shall be determined by the sum total of the two following values:

- a. Each well shall be assigned an allowable equal to its potential based on the most recent well test filed with the Commission multiplied by 95%, provided that this value shall not exceed the maximum daily allowable multiplied by 95%.
- b. Each well shall be assigned an allowable equal to 5% of the maximum daily oil allowable above.

It is further ordered that the application of Sonerra Resources Corporation for suspension of the allocation formula in the Oakridge (Travis Peak) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Oakridge (Travis Peak) Field drops below 100% of deliverability. If the market demand for gas in the Oakridge (Travis Peak) Field drops below 100% of deliverability while the allocation formula is suspended, the operator shall immediately notify the Commission and the allocation formula shall be immediately reinstated.

Done this 14th day of August, 2007.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by OGC
Unprotested Master Order dated August 14, 2007)**