

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

**OIL AND GAS DOCKET  
NO. 08-0253252**

**IN THE FUHRMAN-MASCHO FIELD,  
ANDREWS, ECTOR AND MIDLAND  
COUNTIES, TEXAS**

**CORRECTED FINAL ORDER  
ADOPTING AND AMENDING FIELD RULES FOR THE  
FUHRMAN-MASCHO FIELD  
ANDREWS, ECTOR AND MIDLAND COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on October 4, 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 Special Field Rules adopted in Final Order No. 8-6737, issued effective September 25, 1944, as amended, for the Fuhrman-Mascho Field, Andrews, Ector and Midland Counties, Texas be amended and the following rules shall be adopted.

**RULE 1:** The designated correlative interval consists of: Grayburg Reservoir interval from 3,990 feet to 4,302 feet and the San Andres Reservoir interval from 4,302 feet to 5,456 feet as shown on the Laterlog of the Magnolia Petroleum Company's Leta Jones Lease, Well No. 3, Section 11, Block A-42, PSL Survey, Andrews County, Texas:

**RULE 2:** No well for oil shall hereafter be drilled nearer than THREE HUNDRED AND THIRTY (330) feet to any property line, lease line or subdivision line and there shall be no between well spacing requirement. 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. 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 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.

**RULE 3:** The acreage assigned to the individual oil well shall be known as a proration unit. The standard drilling and proration units are established hereby to be FORTY (40) acres. No proration unit shall consist of more than FORTY (40) acres except as hereinafter provided.

If after the drilling of the last well on any lease there remains an additional unassigned acreage of less than FORTY (40) acres, then and in such event the remaining unassigned acreage up to and including a total of TEN (10) acres may be assigned as tolerance acreage to the last well drilled on such lease.

An operator, at his option, shall be permitted to form optional drilling units of TEN (10) acres. No proration unit plats are required.

**RULE 4:** The maximum daily oil allowable for each well in the subject field shall be 93 barrels of oil per day, each well shall be assigned an allowable equal to 100% of the maximum daily oil allowable above.

**RULE 5:** The permitted gas-oil ratio for all wells shall be 3,500 cubic feet of gas per barrel of oil produced. Any oil well producing with a gas-oil ratio in excess of 3,500 cubic feet of gas per barrel of oil produced shall be allowed to produce daily only that volume of gas obtained by multiplying its daily oil allowable, as determined by the allocation formula applicable to the well, by 93. The gas volume thus obtained shall be known as the daily gas limit of the well. The daily oil allowable of the well shall then be determined by dividing its daily gas limit, obtained as herein provided, by its producing gas-oil ratio in cubic feet per barrel of oil produced.

It is further ordered that all other existing rules remain unchanged. It is further ordered that all accumulated overproduction in the Fuhrman-Mascho Field is cancelled, effective December 1, 2007.

Done this 6<sup>th</sup> day of November, 2007.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotested Master Order dated  
November 6, 2007)**