RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 8A-0261249 IN THE WASSON FIELD, GAINES AND YOAKUM COUNTIES, TEXAS

FINAL ORDER APPROVING AMENDED ALLOWABLE REQUIREMENTS AND ANNUAL G-10 TESTING FOR ASSOCIATED, PRORATED GAS WELLS IN THE WASSON FIELD GAINES AND YOAKUM COUNTIES, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on June 10, 2009, 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, 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 for production purposes, gas wells in the Wasson Field shall be classified as associated, prorated wells. The allocation formula for the Wasson Field is and shall remain **SUSPENDED**, subject to the following conditions:

- All associated, prorated gas wells in the Wasson Field shall be completed solely above the correlative depth of 4,794 feet (base of the F-5 zone) as shown on the Schlumberger Borehole Compensated Sonic Log, dated June 27, 1975, run #1 on Well No. 4321, Shell Oil Company (Occidental Permian Ltd.), Denver Unit, located 1,270 feet FNL and 1,275 feet FEL, Section 895, Block D, J. H. Gibson Survey, Yoakum County, Texas.
- 2. If the allocation formula for associated prorated gas wells in the Wasson Field is reinstated at some time in the future, the total daily allowable for the field shall be 40 MMCF for associated prorated gas wells. The total field allowable for associated prorated gas wells shall be allocated as follows:

Occidental Permian Ltd. Del XTO Energy Inc. Col

Denver Unit Cornell Unit 28.6 MMCF/D 11.4 MMCF/D That portion of the total field gas allowable allocated to the Denver and Cornell Units shall be unit allowables and may be produced from any one or more wells on the unit to which the allowable is assigned. Overproduction of the assigned allowable is prohibited. If there is, nevertheless, any overproduction and the overproduction cannot be made up by underproduction during the following calendar month, the unit with accumulated overproduction shall be shut in until all overproduction has been made up. There shall be no future allowable credit for any underproduction. The total field gas allowable and the allocation of the total field gas allowable between units are subject to modification after notice to all Wasson Field operators and opportunity for hearing.

It is further **ORDERED** operators shall conduct annual well tests for associated, prorated gas wells using standard G-10 test procedures. Operators shall also obtain annual gas analyses of gas produced from such wells. The results of G-10 testing and the gas analyses shall be reported to the Commission annually on the appropriate G-10 test report form.

This Order supercedes the Final Orders signed in Docket Nos. 8A-0218486 and 8A-0227221.

Done this 30th day of June, 2009.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated June 30, 2009)