

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 04-0306746

THE APPLICATION OF KILLAM OIL CO., LTD. FOR AN INCREASED NET GAS-OIL RATIO AND TO CANCEL OVERPRODUCTION FOR THE I.V. MONTALVO "C" LEASE, WELL NOS. 54 AND 55, SUN, NORTH (VICKSBURG 5980) FIELD, STARR COUNTY, TEXAS

FINAL ORDER

The Commission finds that after statutory notice in the above-numbered docket heard on October 27, 2017, the Technical Examiner and Administrative Law Judge (collectively "Examiners") have 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 complies 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 Examiners' 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 I.V. Montalvo "C" Lease, Well No. 54 (API 42-427-34737) and Well No. 55 (API 42-427-34739) in the Sun, North (Vicksburg 5980) Field, Starr County, Texas, may produce under a net increased gas-to-oil ratio authority of 6,500 standard cubic feet of gas per barrel of oil such that the oil allowable shall not be penalized, and may receive the maximum daily oil allowable.

It is further **ORDERED** that all overproduction accrued for the I.V. Montalvo "C" Lease, Well No. 54 (API 42-427-34737) and Well No. 55 (API 42-427-34739) in the Sun, North (Vicksburg 5980) Field, Starr County, Texas, is hereby cancelled.

Pursuant to §2001.144(a)(4)(A) of the Texas Government Code and by agreement of the Parties in writing or on the record, **the parties have waived right to file a Motion for Rehearing and this Final Order is effective on the date the Master Order relating to the Final Order is signed.**

Done this 13th day of February 2018.

RAILROAD COMMISSION OF TEXAS

**(Order approved, and signatures affixed
by Hearings Division's Unprotested
Master Order dated February 13, 2018)**