

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

**OIL AND GAS DOCKET
NO. 05-0224105**

**IN THE FARRAR (COTTON VALLEY
SAND) FIELD, FREESTONE AND
LIMESTONE COUNTIES, TEXAS**

**FINAL ORDER
CONSOLIDATING VARIOUS FARRAR FIELDS
INTO THE FARRAR (COTTON VALLEY SAND) FIELD
AND AMENDING AND RENUMBERING FIELD RULES
ADOPTED IN FINAL ORDER NO. 5-72,480
EFFECTIVE MAY 21, 1979, AS AMENDED,
FOR THE FARRAR (COTTON VALLEY SAND) FIELD
FREESTONE AND LIMESTONE COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on March 30, 2000, 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 fields, located in Freestone and Limestone Counties, Texas, be and they are hereby consolidated into the Farrar (Cotton Valley Sand) Field (No. 30321400):

Farrar, SE (Cotton Valley Sand)	30325 650
Farrar, N. (Bossier Sand)	30323 400
Farrar, N. (Cotton Valley Sand)	30323 500
Farrar, SE. (Bossier Sand A)	30325 600

It is further **ORDERED** by the Railroad Commission of Texas that field rules for the following fields, adopted under the following Final Orders, effective on the following dates, be and are hereby rescinded:

<u>FIELD</u>	<u>FINAL ORDER NO.</u>	<u>EFFECTIVE DATE</u>
Farrar, N. (Bossier Sand)	5-79868	August 22, 1983
Farrar, N. (Cotton Valley Sand)	5-72497	May 29, 1979
Farrar, SE. (Bossier Sand A)	5-73557	December 1, 1979

It is further **ORDERED** by the Railroad Commission of Texas that the following Rule 1 be added to the field rules adopted in Final Order No. 5-72,480, issued effective May 21, 1979, as amended, for the Farrar (Cotton Valley Sand) Field, Freestone and Limestone Counties, Texas.

RULE 1: The entire correlative interval from 10,466 feet to 12,440 feet shown on the Dual Induction log of the Herd Producing Company, Inc., Reed Gas Unit No. 1 Lease, Well No. 2, M.C. Rejon Survey, Limestone County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Farrar (Cotton Valley Sand) Field.

It is further **ORDERED** by the Railroad Commission of Texas that Rules 1 and 2 of the field rules adopted in Final Order No. 5-72,480, issued effective May 21, 1979, as amended, for the Farrar (Cotton Valley Sand) Field be and they are rescinded. Rule 3 of the field rules, adopted in Final Order No. 5-72,480, issued effective May 21, 1979, as amended, for the Farrar (Cotton Valley Sand) Field, Freestone and Limestone Counties, Texas be and it is renumbered and amended as hereafter set out.

RULE 2: The daily allowable production of gas from individual wells completed in a non-associated 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 all the individual prorable wells producing from this field.

NINETY-FIVE percent (95%) of the total field 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 this field.

Effective this twenty-fifth day of April, 2000.

RAILROAD COMMISSION OF TEXAS

Chairman Michael L. Williams

Commissioner Charles R. Matthews

Commissioner Tony Garza

ATTEST:

Secretary