

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

**OIL AND GAS DOCKET
NO. 8A-0252137**

**IN THE TEX-MEX, S.E. (UPPER
CLEARFORK) FIELD, GAINES
COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF FOREST OIL CORPORATION
FOR NEW FIELD DESIGNATION AND FIELD RULES
FOR THE TEX-MEX, S.E. (UPPER CLEARFORK) FIELD
GAINES COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on June 27, 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 application of Forest Oil Corporation for new field designation for its McGowen Well No. 1 is hereby approved. The new field shall be known as the Tex-Mex, S.E. (Upper Clearfork) Field, ID No. 89010 600, Gaines County, Texas.

RULE 1: The entire correlative interval from 6,104 feet to 6,700 feet as shown on the log of the McGowen Well No. 1 (API 42-165-34125), PSL/Kuykendall, AJ & Hamblen CH Survey, A-12, Gaines County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Tex-Mex, S.E. (Upper Clearfork) Field.

RULE 2: The maximum daily oil allowable for each well in the subject field shall be the discovery allowable of 200 barrels of oil per day until expiration of this discovery allowable. At that time, the 1965 yardstick allowable shall be effective. 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.

Done this 11th day of September, 2007.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed
by OGC Unprotested Master Order
dated September 11, 2007)**