

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

**OIL & GAS DOCKET  
08-0243840**

**RE: APPLICATION OF THAGARD TRUST  
TO SUSPEND THE ALLOCATION FORMULA  
IN THE COYANOSA (MISS. 10475) FIELD,  
PECOS COUNTY, TEXAS**

**FINAL ORDER**

After statutorily required notice in the above-numbered docket heard on September 12, 2005, the Railroad Commission of Texas makes the following findings of fact and conclusions of law:

**FINDINGS OF FACT**

1. Notice of at least ten (10) days was given to all operators in the field and no one appeared at the hearing in protest.
2. The Coyanosa (Miss. 10475) Field was discovered in 1966 at 10,475' subsurface depth.
  - a. The field is governed by Special Field Rules which provide for minimum well spacing of 1320'/3735', 640 acre density and an allocation formula based on 100% productive net acre-feet. The field is classified as Non-Associated-Prorated.
  - b. Currently there are four operators in the field with 7 wells (only 3 active wells).
3. All operators of producing wells in the subject field have 100% market demand for the gas produced from wells under their control.
  - a. Thagard Trust and Brintanco, L.L.C. executed Form AOF-2 indicating a 100% market for all the gas from their wells. Britanco has one well with a scheduled deliverability of 95 MCFD and Thagard with one well with a scheduled deliverability of 1089 MCFD.
  - b. Exxon Mobil Corp. has two inactive wells (one well shows "SHUT-IN" and the other "14B2 EXT").
  - c. Mobil Producing TX. & NM. Inc. has three wells. The schedule shows one well is "SI MULT", one well is "PRTL PLGTXP", one well has a scheduled deliverability of 185 MCFD.
  - d. Duke Energy is the gatherer/first purchaser from every operator and well in the field.
4. Suspension of the allocation formula in the Coyanosa (Miss. 10475) Field will not cause a

pipeline limitation.

**CONCLUSIONS OF LAW**

1. Proper notice was issued by the Railroad Commission of Texas to persons legally entitled to notice.
2. All things have been done and occurred to give the Railroad Commission of Texas jurisdiction to decide this matter.
3. The subject field meets all the criteria established for suspension of the allocation formula under Statewide Rule 31(j).

Therefore, it is ORDERED by the Railroad Commission of Texas that the application of Thagard Trust for suspension of the allocation formula in the Coyanosa (Miss. 10475) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Coyanosa (Miss. 10475) Field drops below 100% of deliverability. If the market demand for gas in the Coyanosa (Miss. 10475) Field drops below 100% of deliverability while the allocation formula is suspended, the operator shall immediately notify the Commission and the allocation formula shall be immediately reinstated. Failure to give such notice to the Commission may result in a fine (as provided for in Tex. Nat. Res. Code §86.222) for each day the operators fail to give notice to the Commission.

**Done this the \_\_\_\_\_ day of \_\_\_\_\_, 2005.**

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by OGC  
Unprotested Master Order dated \_\_\_\_\_,  
2005)**