

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

**OIL & GAS DOCKET
NO. 10-0255548**

**RE: THE APPLICATION OF EOG
RESOURCES, INC. TO SUSPEND THE
ALLOCATION FORMULA IN THE
TROSPER (ATOKA) FIELD, LIPSCOMB
COUNTY, TEXAS**

FINAL ORDER

After statutory notice in the above-numbered docket heard on March 13, 2008, 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 Trospers (Atoka) Field is a non-associated-prorated field which was discovered in 1989. There are seven wells in the field operated by four operators. The operators include: EOG Resources, Inc., EXCO Resources, Inc., Holmes Exploration, LLC, and Princess Three Operating, LLC.
3. There is no evidence that all operators of producing wells in the subject field do not have 100% market demand for the gas produced from wells under their control.
 - a. EOG Resources, Inc. executed Form AOF-2 for the subject field.
 - b. EXCO Resources, Inc., Holmes Exploration, LLC, and Princess Three Operating, LLC did not execute Form AOF-2 but did not protest the application.
 - c. EOG Resources, Inc.'s investigation of market conditions in the field did not reveal any curtailments of production due to lack of market.
 - d. EOG Resources, Inc.'s Bucher 429 Well No. 1H is overproduced by 126.2 MMCF as of February 2008.
4. Suspension of the allocation formula in the Trospers (Atoka) 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 EOG Resources, Inc. for suspension of the allocation formula in the Trosper (Atoka) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Trosper (Atoka) Field drops below 100% of deliverability. If the market demand for gas in the Trosper (Atoka) 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. It is further ORDERED by the Railroad Commission of Texas that overproduction be cancelled field wide for the Trosper (Atoka) Field, Lipscomb County, Texas, is hereby approved, to be effective May 1, 2008.

Done this 8th day of April, 2008.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated April 8,
2008)**