

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET  
NO. 10-0280428**

**RE: THE APPLICATION OF H & L  
EXPLORATION COMPANY, L.L.C. TO  
SUSPEND THE ALLOCATION  
FORMULA IN THE HUTCHINSON, N.  
(CLEVELAND 5900) FIELD,  
HUTCHINSON COUNTY, TEXAS**

**FINAL ORDER**

After statutory notice in the above-numbered docket heard on March 6, 2013, 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 Hutchinson, N. (Cleveland 5900) Field is a non-associated-prorated field which was discovered in 1956. There are eight wells in the field operated by five operators. The operators include: ConocoPhillips Company, Continental Trend Resources, Inc., Diamond S Energy Company, H & L Exploration Company, LLC, and Plains Exploration & Production Co.
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. H & L Exploration Company, LLC executed Form AOF-2 for the subject field.
  - b. ConocoPhillips Company and Continental Trend Resources, Inc. did not execute Form AOF-2 but did not protest the application.
  - c. H & L Exploration Company, LLC investigation of market conditions in the field did not reveal any curtailments of production due to lack of market.
  - d. H & L Exploration Company, LLC's Holt Well No. 1H is overproduced by 352.9 MMCF as of February 2013.
4. Suspension of the allocation formula in the Hutchinson, N. (Cleveland 5900)

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 H & L Exploration Company, LLC for suspension of the allocation formula in the Hutchinson, N. (Cleveland 5900) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Hutchinson, N. (Cleveland 5900) Field drops below 100% of deliverability. If the market demand for gas in the Hutchinson, N. (Cleveland 5900) 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 Hutchinson, N. (Cleveland 5900) Field, Hutchinson County, Texas, is hereby approved, to be effective May 1, 2013.

Done this 9<sup>th</sup> day of April, 2013.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
Hearings Divisions' Unprotested Master  
Order dated April 9, 2013)**