

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

**OIL AND GAS DOCKET
NO. 06-0247784**

**IN THE WILLOW SPRINGS (COTTON
VALLEY) AND WILLOW SPRINGS
(TRAVIS PEAK) FIELDS, GREGG
COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF XTO ENERGY, INC.
FOR RULE 10 EXCEPTION
FOR ITS PINE TREE ISD LEASE WELL NO. 10
WILLOW SPRINGS (COTTON VALLEY) FIELD AND
WILLOW SPRINGS (TRAVIS PEAK) FIELD
GREGG COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered dockets heard on July 21, 2006, the presiding examiner has made and filed reports and recommendations containing findings of fact and conclusions of law, for which service was not required; that the proposed applications are in compliance with all statutory requirements; and that these proceedings were 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 reports and recommendations, 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 XTO Energy, Inc. for exception to Statewide Rule 10 for its Pine Tree ISD Lease Well No. 10 in the Willow Springs (Cotton Valley) Field and the Willow Springs (Travis Peak) Field, Gregg County, Texas, is hereby approved. Such commingled production as is produced from the Pine Tree ISD Lease Well No. 10 shall be assigned to the Willow Springs (Cotton Valley) Field for proration purposes. Commingled production may be assigned to the Willow Springs (Cotton Valley) Field only as long as the allocation formula is suspended in both the Willow Springs (Cotton Valley) Field and Willow Springs (Travis Peak) Field. If the status of either field changes it may be necessary to reassign commingled production to a prorated field.

Should secondary recovery operations be initiated in either of these reservoirs, it may be necessary to resegment these zones.

Further, acreage assigned to the referenced well for allocation of allowable shall not be assigned to any other well or wells projected to or completed in the Willow Springs

(Cotton Valley) Field or the Willow Springs (Travis Peak) Field; such duplicate assignment of acreage is not acceptable, provided however, that this limitation shall not prevent the reformation of development or proration units so long as no duplicate assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations.

Commingled production from the Pine Tree ISD Lease Well No. 10 will be allocated as follows:

34% to interest owners above 9100 feet TVD
66% to interest owners below 9100 feet TVD.

Done this 8th day of August, 2006.

**RAILROAD COMMISSION OF TEXAS
(Order approved and signatures
affixed by OGC Unprotested Master
Order dated August 8, 2006.)**