

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

**OIL & GAS DOCKET NO. 03-0266502**

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**APPLICATION OF JM TEXAS LAND FUND NO. 5, L.P. FOR APPROVAL OF A PROPOSED QUALIFIED SUBDIVISION PURSUANT TO STATEWIDE RULE 76 FOR A 638.26 ACRE TRACT IN THE WALKER COUNTY SCHOOL LAND SURVEY, A-494, MONTGOMERY COUNTY, TEXAS.**

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**FINAL ORDER**

The Commission finds that after statutory notice the captioned proceeding was heard by the examiners on August 12, 2010. The proceeding having been duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, the Commission makes the following Findings of Fact and Conclusions of Law.

**FINDINGS OF FACT**

1. At least ten days notice was given to the applicant and owners of possessory mineral interests and mineral lessors in the proposed qualified subdivision. Notice of Hearing was published in the Conroe Courier, a newspaper of general circulation in Montgomery County, for four consecutive weeks, on July 15, 2010, July 22, 2010, July 29, 2010 and August 5, 2010.
2. JM Texas Land Fund No. 5 (hereinafter "JM Texas") own all of the surface acreage in the proposed qualified subdivision and thus all of the surface ownership in the proposed qualified subdivision is represented in this hearing.
3. The proposed qualified subdivision is located in Montgomery County, a county having a population in excess of 140,000 (293,768) adjacent to Harris County, which has a population in excess of 400,000.
4. The proposed qualified subdivision is being subdivided in a manner authorized by law by the surface owner for residential use, pursuant to ordinances relating to zoning, platting, and subdivisions.
5. The proposed qualified subdivision contains 638.26 acres in the Walker County School Land Survey, A-494, including two operations sites totaling 16 acres. The operations sites have access to proposed roads. The operations sites may be used by possessory mineral interest owners to explore for and produce minerals. The operations sites are located within the proposed qualified subdivision and designated on the qualified subdivision plat which is

attached as Exhibit I. Field notes for the 638.26 acre qualified subdivision, for the operations sites and operations sites' access are set forth in Exhibit II to this Final Order.

6. The proposed qualified subdivision plat contains provision for road and pipeline easements to allow use of the operations site within the proposed qualified subdivision.
7. In the 2.5 mile area of review around the proposed Qualified Subdivision, there has been mineral development in thirteen Wilcox and Yegua reservoirs. Eighty-five wells have been drilled (55 were dry holes), but none of them are producing today and have not for the last 15 years. The Splendora (Y-1 Sand), Splendora (Yegua 5900) and Splendora (6600) Fields are reasonably proximate to the southeastern portion of the proposed Qualified Subdivision, but four dry holes appear to separate the Qualified Subdivision from historical development. JM Texas presented expert testimony that any field extensions that may be found to underlie the proposed Qualified Subdivision in the future can be reached by directional drilling from the proposed pad sites. The operations sites have road access and pipeline easements as required by the rule.
8. The proposed operations site and pipeline and road easements are adequate to ensure that any mineral resources under the proposed qualified subdivision may be fully and effectively exploited.
9. Applicants have waived the issuance of an examiner's proposal for decision in this docket.
10. All parties have agreed on the record that, pursuant to the provisions of Texas Government Code §2001.144(a)(4), this Final Order shall be effective on the date a Master Order relating to this Final Order is signed.

#### **CONCLUSIONS OF LAW**

1. Proper notice of hearing was timely issued to appropriate persons entitled to notice.
2. All things necessary to the Commission attaining jurisdiction have occurred.
3. The application of JM Texas Land Fund No. 5, L.P. for Commission approval of their proposed qualified subdivision meets the requirements of Texas Natural Resources Code, Chapter 92, and Statewide Rule 76 [16 TEX. ADMIN. CODE §3.76].
4. Pursuant to §2001.144(a)(4) of the Texas Government Code, and the consent of the applicants, this Final Order is effective when a Master Order relating to this Final Order is signed on June 27, 2011.

**IT IS THEREFORE ORDERED** that the application of JM Texas Land Fund No. 5, L.P. for approval of a qualified subdivision containing 638.26 acres of land in the Walker County School Land Survey, A-494, in Montgomery County, Texas, more particularly described by the metes and bounds descriptions in field notes and plats attached hereto and incorporated herein for all purposes, is hereby **APPROVED**.

It is further **ORDERED** that this Final Order is effective on June 27, 2011 when the Master Order relating to this Final Order is signed.

All pending motions and requests for relief not previously granted or granted herein are denied.

Done this 27th day of June, 2011, in Austin, Texas.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotected Master Order dated  
June 27, 2011)**