

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

OIL & GAS DOCKET NO. 03-0245001

**APPLICATION OF NEWLAND COMMUNITIES TO CONSIDER APPROVAL OF A
QUALIFIED SUBDIVISION PURSUANT TO STATEWIDE RULE 76 FOR A 143.26 ACRE
TRACT OF LAND IN FORT BEND COUNTY, TEXAS**

FINAL ORDER

The Commission finds that after statutory notice the captioned proceeding was heard by the examiner on December 7, 2005. 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.
2. There is no opposition to the application of Newland Communities ("Newland") in this docket, and Newland waived the issuance of a proposal for decision by the hearings examiner.
3. Newland Communities is one of two surface owners of the acreage in the proposed qualified subdivision, and has authority to represent, and does represent, both surface owners.
4. The proposed qualified subdivision is located in Fort Bend County, Texas, a county having a population in excess of 400,000. The proposed qualified subdivision is located approximately 40 miles west of downtown Houston and approximately 5 miles south of IH-10 and Katy.
5. The proposed qualified subdivision contains 143.26 acres, including two operations sites, each with a surface area of at least two acres that possessory mineral interest owners may use to explore for and produce minerals. A legal description of the proposed qualified subdivision and operations sites is attached to this proposal for decision as Appendix 1 which is incorporated into this finding by reference. A plat of the proposed qualified subdivision is attached to this proposal for decision as Appendix 2, also incorporated into this finding by reference. The proposed operations sites are located within the proposed qualified subdivision and are designated on the subdivision plat.

6. The two operations sites within the proposed qualified subdivision are on the western boundary of the subdivision and may be accessed from FM 1463 that runs just to the west of the subdivision. The operations sites are not landlocked, and access to pipelines can be had off the subdivision to the west.
7. The area within 2.5 miles of the proposed qualified subdivision previously has been developed for minerals, but currently there are no producing wells within the subdivision or within 2.5 miles thereof.
 - a. There has never been a producing well within the proposed qualified subdivision.
 - b. A well was most recently drilled within 2.5 miles of the proposed qualified subdivision in November 2000. This well was drilled to a depth of 14,000' and was a dry hole. The well was plugged and abandoned in December 2000.
 - c. A total of 46 well locations have been permitted within 2.5 miles of the proposed qualified subdivision. Four of these were locations only where no well was drilled. Sixteen were completed as producing wells, and twenty-six were dry holes.
 - d. The 16 wells completed as producing wells within 2.5 miles of the proposed qualified subdivision were completed at depths ranging from 4,100' to 11,279'. All 16 of these wells have now been plugged and abandoned.
 - e. There is no Railroad Commission designated field beneath the proposed qualified subdivision.
8. The two designated operations sites within the proposed qualified subdivision are adequate to ensure that any mineral resources under the proposed qualified subdivision may be fully and effectively exploited.
9. Newland proposes to subdivide a tract of land in a manner authorized by law for residential, commercial or industrial use. A plat of the proposed qualified subdivision will be submitted for approval of appropriate local governmental authorities and will be filed of record with the County Clerk of Fort Bend County.
10. All parties have agreed in writing or on the record that this Final Order shall be effective as of 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 Newland Communities for Commission approval of its qualified subdivision plat meets the requirements of Texas Natural Resources Code, Chapter 92 and Statewide Rule 76 [16 TEX. ADMIN. CODE §3.76].
4. This Final Order approves Newland Communities' qualified subdivision plat pursuant to the standards of Texas Natural Resources Code §92.004, but does not create a qualified subdivision. Creation of a qualified subdivision entitled to the protections of Texas Natural Resources Code §92.005 will occur when all requirements of Texas Natural Resources Code, Chapter 92 have been met.
5. Pursuant to Texas Government Code §2001.144(a)(4), and the agreement of all parties, this Final Order is effective when a Master Order relating to this Final Order is signed on July 6, 2006.

IT IS THEREFORE ORDERED that the application of Newland Communities for a qualified subdivision containing 143.26 acres of land in the W. M. Andrus Survey, A-752, Fort Bend County, Texas, with operations sites described in the legal description and plat attached hereto as Appendices 1 and 2, and incorporated herein for all purposes, is hereby **APPROVED**.

It is further **ORDERED** that this Final Order shall be effective on July 6, 2006, 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 6th day of July, 2006, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated
July 6, 2006)**