

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

**OIL AND GAS DOCKET
NO. 06-0250225**

**IN THE DECKER SWITCH (TRAVIS
PEAK) FIELD, HOUSTON COUNTY,
TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF XTO ENERGY
FOR NEW FIELD DISCOVERY DESIGNATION AND FIELD RULES FOR THE
DECKER SWITCH (TRAVIS PEAK) FIELD, HOUSTON COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on February 23, 2007, the presiding examiner has made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; and that this proceeding was 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 report and recommendation, 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 for a new field discovery for the Decker Switch (Travis Peak) Field (RRC Field No. 23857-500), Houston County, Texas be and hereby is approved.

Therefore, it is ordered by the Railroad Commission of Texas that the following operating rules shall be adopted for the Decker Switch (Travis Peak) Field, Houston County, Texas.

RULE 1: The entire combined correlative interval from 10,980' to 13,870' as shown on the Type log of the Amerada Hess, Temple Eastex Lease Well No. 1 (API No. 42-225-304794), Pedro E. Bean Survey, A-6, Houston County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Decker Switch (Travis Peak) Field.

RULE 2: The daily allowable production of gas from individual wells completed in a non-associated gas reservoir of the subject field shall be determined by allocating the allowable production, after deductions have been made for wells which are incapable of producing their gas allowables, among the individual wells in the following manner:

FIVE percent (5%) of the total field allowable shall be allocated equally among the prorable wells in the field.

NINETY-FIVE percent (95%) of the total field allowable shall be allocated among the

individual wells in the proportion that the deliverability of such well, as evidenced by the most recent G-10 test filed with the Railroad Commission bears to the summation of the deliverability of all proratable wells producing from this field.

It is further ordered that all overproduction for the XTO Energy, T.I.N. Lease Well No. 1 (API No. 42-225-31073) is hereby canceled.

Further, it is ordered by the Railroad Commission of Texas that suspension of the allocation formula in the Decker Switch (Travis Peak) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Decker Switch (Travis Peak) Field drops below 100% of deliverability. If the market demand for gas in the Decker Switch (Travis Peak) 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. Failure to give such notice to the Commission may result in a fine (as provided for in Tex. Nat. Res. Code §86.222) for each day the operators fail to give notice to the Commission.

Further, it is ordered that the Chesapeake Operating, Palmer Well No. 1 (API No. 42-225-31077) be transferred from the Southern Pine (Travis Peak) Field into the Decker Switch (Travis Peak) Field without the need of another Commission Form W-1 and fee.

Done the 6th day of March, 2007.

**RAILROAD COMMISSION OF TEXAS
(Order approved and signatures affixed by OGC
Unprotested Master Order dated March 6, 2007)**