

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

**OIL AND GAS DOCKET
NO. 06-0263732**

**IN THE WOODLAWN (COTTON
VALLEY) FIELD, HARRISON AND
MARION COUNTIES, TEXAS**

**FINAL ORDER
AMENDING FIELD RULE NO. 3
FOR THE WOODLAWN (COTTON VALLEY) FIELD
HARRISON AND MARION COUNTIES, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on January 14, 2010, 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 Rule 3 of the field rules adopted in Final Order No. 06-0217785, effective December 16, 1997, as amended, for the Woodlawn (Cotton Valley) Field, Harrison and Marion Counties, Texas, is hereby amended. The amended rule is set out in its entirety as follows:

RULE 3: The acreage assigned to the individual gas well shall be known as a proration unit. The standard drilling and proration units are established hereby to be SIX HUNDRED FORTY (640) acres. No proration unit shall consist of more than SIX HUNDRED FORTY (640) acres; provided that, tolerance acreage of ten (10) percent shall be allowed for each standard proration unit so that an amount not to exceed a maximum of SEVEN HUNDRED AND FOUR (704) acres may be assigned. Each proration unit containing less than SIX HUNDRED FORTY (640) acres shall be a fractional proration unit. An operator, at his option, shall be permitted to form optional drilling units of FORTY (40) acres.

There is no maximum diagonal limitation and operators are not required to file Form P-15 or proration unit plats for individual wells in the field.

For the purpose of assigning additional acreage to a horizontal well pursuant to Rule 86, the distance from the first take point to the last take point in the horizontal drainhole shall be used in such determination, in lieu of the distance from penetration point to terminus.

It is further ordered that the allocation formula in the Woodlawn (Cotton Valley) Field will remain suspended. The allocation formula may be reinstated administratively, in accordance with the Commission's rules, if the market demand for gas in the Woodlawn (Cotton Valley) Field drops below 100% of deliverability.

Done this 23rd day of February, 2010.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated
February 23, 2010)**