



# RAILROAD COMMISSION OF TEXAS

## OFFICE OF GENERAL COUNSEL

September 21, 2009

**OIL & GAS DOCKET NO. 06-0258895**

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**COMMISSION CALLED HEARING TO GIVE TEXAS LAND & PETROLEUM CO., LLC AN OPPORTUNITY TO SHOW CAUSE WHY THE PLUGGING EXTENSION FOR THE IRISH GAS UNIT, WELL NO. 1 (RRC NO. 216234), JOAQUIN (TRAVIS PEAK) FIELD, SHELBY COUNTY, TEXAS SHOULD NOT BE CANCELLED AND WHY TEXAS LAND & PETROLEUM SHOULD NOT BE ORDERED IMMEDIATELY TO PLUG THE WELL.**

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**APPEARANCES:**

**FOR TEXAS LAND & PETROLEUM CO., LLC:**

David Gross, Attorney  
J. Mark McCart, President

Texas Land & Petroleum Co., LLC  
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**FOR JACK IRISH:**

Jack Irish

**FOR AGAVE OPERATING COMPANY, INC.**

John Soule, Attorney

Agave Operating Company, Inc.

**PROPOSAL FOR DECISION**

**PROCEDURAL HISTORY**

<b>DATE OF REQUEST FOR HEARING:</b>	September 9, 2008
<b>DATE OF NOTICE OF HEARING:</b>	September 15, 2008
<b>DATE OF HEARING:</b>	October 15, 2008
<b>HEARD BY:</b>	Marshall Enquist, Hearings Examiner
<b>DATE RECORD CLOSED:</b>	October 29, 2008
<b>PFD ISSUED:</b>	September 21, 2009

**STATEMENT OF THE CASE**

This proceeding was called in response to the request of Texas Land & Petroleum Co., LLC (Operator No. 846651) (hereinafter "Texas Land") for a hearing wherein Texas Land might contest cancellation of Statewide Rule 14(b)(2) plugging extension for the Irish Gas Unit, Well No. 1 (RRC ID No. 216234), Joaquin (Travis Peak) Field, Shelby County.

By letter dated April 21, 2008, mineral owner Charlotte King complained that a gas well (the subject well) on her property had no production for nineteen months and that no shut-in royalty had been paid. Ms. King enclosed a copy of the current lease signed by Jack R. Irish, family patriarch. The complaint was designated Complaint File 2008-062 and assigned to Examiner Jim Doherty. Examiner Doherty reviewed the material provided and answered Ms. King by letter dated May 30, 2008 that the lease was signed February 4, 2003 and had a ten year primary term. Accordingly, the lease remained valid until February 4, 2013 and, absent additional evidence, there appeared to be no basis for cancelling the well's Statewide Rule 14(b)(2) extension.

By letter dated June 9, 2008, Jack Irish responded that the lease provided by Ms. King did not include its attached Exhibit A, in which the primary term was changed from ten years to two years. Mr. Irish asserted that the primary term of the lease expired February 4, 2005.

Based upon the new information, Examiner Doherty, by letter dated June 12, 2008, requested that Texas Land demonstrate, within thirty days, its "good faith claim" to operate the subject well. Texas Land did not respond. Accordingly, by letter dated July 14, 2008, Examiner Doherty notified Texas Land that the Statewide Rule 14(b)(2) extension for Well No. 1 on the Irish Gas Unit (RRC ID No. 216234) had been cancelled. Pursuant to Statewide Rule 14(b)(2)(C)(ii), Texas Land was required to plug the well within thirty days or request a hearing on the matter. Texas Land requested a hearing.

A hearing was held on October 15, 2008, at which time Texas Land appeared and presented evidence. Jack Irish, mineral owner and lessor, appeared representing himself. Agave Operating Company, Inc. (hereinafter "Agave") appeared through counsel and cross-examined Texas Land.

**APPLICABLE LAW**

Statewide Rule 14(b)(2) requires that a well be plugged after 12 months of inactivity, unless a plugging extension is filed. To be entitled to a plugging extension for a well, the operator must have on file a current Form P-5 Organization Report and the required amount of financial assurance, the well and its associated facilities must be in compliance with all laws and Commission rules, and upon request, the operator must demonstrate that it has a good faith claim of a continuing right to operate the well. Statewide Rule 14(2)(C) authorizes revocation of a plugging extension upon the failure of an operator, upon request, to provide evidence of a good faith claim. Upon any such revocation, the operator is required, within thirty days, to plug the well or request a hearing.

Statewide Rule 14(a)(1)(E) defines “good faith claim” as a factually supported claim based on a recognized legal theory to a continuing possessory right in a mineral estate, such as evidence of a currently valid oil and gas lease or a recorded deed conveying a fee interest in the mineral estate.

**MATTERS OFFICIALLY NOTICED**

The examiner has officially noticed the P-5 Master Inquiry and P-5 Financial Assurance Inquiry databases which show that Texas Land has an active Form P-5 Organization Report and the required amount of financial assurance in the form of a bond in the amount of \$25,000.

The examiner has also officially noticed the Production Data Query screens for the subject well, the L.R. Irish Gas Unit, Well No. 1 (RRC ID No. 124892) and the Leggett Gas Unit, Well No. 1 (RRC ID No. 222668).

**DISCUSSION OF THE EVIDENCE**

**Texas Land**

Texas Land asserts that it has a good faith claim to operate the subject well, but did not receive Examiner Doherty’s letter requesting the good faith claim be provided to the Commission. Texas Land requested this hearing in order to demonstrate its good faith claim.

The Irish leases made to Harleton Oil & Gas Inc. on February 4, 2003 were indeed for a primary term of two years and would have expired in February 2005. Texas Land obtained the right to drill from Harleton Oil & Gas in preparation for drilling the Irish Unit well (see Exhibit I). However, Texas Land checked the mineral title to the property and discovered outstanding unleased mineral interests in the 125 acre drillsite tract amounting to roughly 27.98 percent. In November 2004, Texas Land obtained leases from most of those owners, thereby acquiring an additional 24 percent of the mineral interest. With one exception, a lease with a two year primary term, the new leases had three year primary terms, which could have expired in November 2007. Both sets of leases contain continuous operations clauses, which maintain the leases after the primary term so long as there is no cessation of operations of more than 90 consecutive days.

Regarding the leases with a two year primary term, Texas Land notes the Irish Gas Unit, Well No. 1 (RRC ID No. 216234) began production in July, 2005. Although there is an apparent gap between the termination date of the Irish leases in February 2005 and the beginning of production from the Irish Gas Unit, Well No. 1 in July 2005, Texas Land asserts that the 125 acre drillsite tract of the Irish Gas Unit, Well No. 1 was part of the unit for the Harleton L.R. Irish Gas Unit, Well No. 1 (RRC ID No. 124892) in the Belle Bower (Rodessa “Hill”) Field (see Exhibit II). Harleton filed a Form W-1 application with the Commission to deepen this well on November 12, 2003. Texas Land states that the Harleton L.R. Irish Gas Unit, Well No. 1 was either under the continuous operations clause of its leases or producing between February 2005 and April 2005, thus maintaining

the Irish leases in full force and effect. On April 4, 2005, Texas Land commenced drilling the Irish Gas Unit Well No. 1, thus bringing its well under the continuous operations clause of the leases. Production was achieved in July 2005. Its last reported production was in September 2006.

On October 23, 2006, Texas Land filed a "Declaration of Pooled Unit" for the 704 acre Leggett Gas Unit, Well No. 1 (RRC ID No. 222668)(see Exhibit III). This gas unit lay directly to the west of the Irish Gas Unit and did not include any of the lands in the Irish Gas Unit. However, Texas Land also prepared an "Amendment to Pooled Unit" regarding the Leggett Gas Unit with an effective date of November 1, 2006 which was notarized as of that date. The amendment to the unit, among other things, ommitted some of the acreage previously held in the unit, but took in the northernmost 40 acres out of the 125 acre Irish tract in the Thomas Kilgore Survey, A-409, maintaining an overall size of 704 acres. The 40 acres added is the location of the Irish Gas Unit, Well No.1 (RRC ID No. 216234), the subject of this proceeding. Through an oversight, Texas Land did not file this instrument in the Shelby County Clerk's Office until May 14, 2008. Production on the Leggett Gas Unit, Well No. 1 (RRC ID No. 222668) was reported for November 2007. The amendment to the pooled unit does not have an attached plat.

Texas Land argues that inclusion of the 40 acres surrounding the Irish Gas Unit, Well No. 1 within the Leggett Gas Unit as of November 1, 2006 maintained those leases of the 125 acre Irish tract which had a two year primary term, at least as to those leases without a Pugh Clause. As to those leases of the 125 acre Irish tract with a Pugh Clause, Texas Land believes it continues to hold 40 acres around the subject well. Under this scenario, Texas Land argues that at least some of the leases with a two year primary term are still in effect and that it has demonstrated its good faith claim of a continuing right to operate the Irish Gas Unit Well No. 1.

Regarding the leases covering a 24 percent mineral interest in the 125 acre Irish tract with a primary term of three years, ending in November 2007, Texas Land maintains these are still in effect as well. As a result of the amendment to the Leggett Unit, and production from the Leggett Well No. 1 in November 2007, Texas Land asserts that the 24 percent undivided interest in the 125 acre Irish tract was held by production past the primary term of the leases. The Leggett Gas Unit, Well No. 1 was continuing to produce at the time of the hearing, making 420 to 430 mcf/day and a barrel and a half of condensate a day.

Texas Land notes that the production reported in November 2007 was not the first production from the well. The earliest Form G-1 completion report for the well (received at the Commission on October 23, 2006) indicates it was completed May 1, 2006 at a total depth of 8,913 feet with top of pay at 6552 feet.<sup>1</sup> A series of plugbacks and recompletions tested the Rodessa, James Lime,

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<sup>1</sup> Texas Land subsequently late-filed Forms G-1 indicating recompletion on August 14, 2006 with top of pay at 8468 feet (filed with the Commission on August 29, 2008), a second recompletion on February 16, 2007 with top of pay at 7304 feet (filed with the Commission on September 8, 2008) and a third recompletion on July 9, 2007 with top of pay at 6450 feet (filed with the Commission on September 2, 2008).

Pettet and Travis Peak. During testing, the well produced a small amount of gas and a great deal of water. Over the course of testing, there was intermittent production from September 2006 through January, 2007, but it was not reported. The first substantial production occurred in July 2007, but it was also not reported because it could not be sold due to pipeline issues. Texas Land finally resolved the pipeline issues by becoming the majority owner in the pipeline and selling its gas in November 2007. Prior to pipeline sales, the gas was vented and flared and the condensate was placed in storage tanks. Texas Land was under the mistaken impression that only gas that was sold, not flared, was required to be reported. Texas Land stated it has filed amended production reports to correct its mistake.

Texas Land acknowledges that simple addition of the acres referred to in the leases composing the Leggett Gas Unit would appear to result in a unit in excess of 704 acres. Texas Land states that this is because many of the leases are for fractional interests in the same parcels of land.

**Jack Irish**

Mr. Irish argues that the first production from the subject well, located on the western edge of the 125 acre Irish Tract, was obtained July 2005. On November 11, 2005, Texas Land filed a Declaration of Pooled Unit, which included the 125 acre Irish Tract and 200 additional acres of Irish family minerals. The last production from the subject well, 13 MCF of gas, was in September 2006. Mr. Irish argues that, as of the date of the hearing, the well had not produced in 24 months and no shut-in royalty had been paid. Therefore, the plugging extension for the Irish Gas Unit, Well No. 1 (RRC ID No. 216234) should be cancelled and Texas Land ordered to immediately plug the well.

Mr. Irish also argues that Texas Land's formation of the Leggett Gas Unit, for its Well No. 1 (RRC ID No. 222668) does not hold all the acreage in the former Irish Gas Unit. According to Mr. Irish, the Leggett Unit well was completed in April, 2006 and the Declaration of Pooled Unit was signed April 1, 2006. The Declaration of Pooled Unit was filed with the County Clerk on October 23, 2006. The 325 acres of Irish Family land were not included in the Leggett Unit.

However, on November 1, 2006, an Amendment to Pooled Unit for the Leggett Unit was signed. On May 14, 2008, the Amendment to Pooled Unit (Leggett Unit) was filed with the County Clerk. Only the northernmost 40 acres of the 125 acre Irish Tract was included in the Leggett Unit by this amendment. Mr. Irish asserts the original lease of the 125 acres contained a Pugh Clause in Exhibit A, stating "In the event a portion or portions of the land described in this lease are pooled or unitized with other land... to form a unit... shall maintain this lease in effect only as to the portion or portions of land... included in such unit...". Mr. Irish urges the position that "...the Leggett Gas Unit has no jurisdiction over the Irish gas well." He further asserts that the plugging extension for the Irish Gas Unit, Well No.1 should be cancelled and Texas Land ordered to plug the well.

**Agave Operating Company**

Agave Operating Company (“Agave”) appeared in support of Jack Irish and maintains that the Statewide Rule 14(b)(2) extension for the subject well should remain cancelled and the well should be plugged. Agave has taken leases in the area of the subject well, including a lease of the 125 acre Irish tract on which the subject well is found.

Through cross-examination, Agave elicited details of Texas Land’s claim to have demonstrated a good faith claim. Agave established that, as to the 72 percent mineral interest acquired by Texas Land from Harleton, the primary term of those leases ended in February 2005. Drilling on the Irish Gas Unit, Well No. 1 commenced on April 4, 2005. However, Texas Land replied that the 125 acre Irish Tract was included in another gas unit operated by Harleton, the L.R. Irish, Well No. 1 (API # 419-30567 and RRC ID No. 124892), which was either under the continuous operations clause of the leases or producing between February 2005 and April 2005.

Production from the Irish Gas Unit, Well No. 1 ceased in September, 2006. The 40 acre rectangle around the subject well was not pooled into the Leggett Unit until November 2006. Agave argued that there was nothing to hold the Irish leases in the month of October, 2006. Texas Land replied that operations were underway on the Leggett Gas Unit, Well No. 1, such as testing, flowing back and buildup pressure.

Agave was only able to find one Form G-1 submitted to the Commission by Texas Land for the Leggett Gas Unit Well No. 1 on October 23, 2006. Texas Land replied that it would provide copies of its other G-1s for the Leggett well (see footnote 1).

Agave also noted that the recording date for the amended Leggett Unit was shortly after the complaint which initiated this proceeding and asserted that the complaint was the trigger which caused Texas Land to file the amended unit designation. Agave argues that the late recording of unit designations, the late filing of G-1s and amended production reports are simply too convenient. Agave admits that Texas Land’s story is at least plausible, but argues that it is not credible. Agave recommends that the Statewide Rule 14(b)(2) extension cancellation remain in place and that Texas Land be required to plug the subject well.

**EXAMINER’S OPINION**

The basic issue before the examiner in this case is whether the Irish Gas Unit, Well No. 1 (RRC ID No. 216234) is entitled to a Statewide Rule 14(b)(2) plugging extension. The plugging extension for the subject well was cancelled when Texas Land failed to respond to a request to produce its good faith claim to operate the well. The Commission has no jurisdiction to decide questions of title, but may determine whether Texas Land has a good faith claim to title [see Magnolia Petroleum Co. v. Railroad Commission, 170 S.W.2d 189 (Tex. 1943)].

Texas Land relies on two sets of leases to prove its good faith claim. The first set of leases include the Irish family leases acquired from Harleton which represent approximately 72 percent of the mineral interest. These leases were signed February 4, 2003 and have an attached Exhibit "A" which reduces the primary term from ten years to two years. These leases would have terminated February 4, 2005, absent activation of a lease clause extending the lease. The second set of leases, which represent approximately 24 percent of the mineral interest, were owners discovered by Texas Land and leased on November 8, 2004. The primary term of those leases, with one exception, is three years. The second set of leases would have terminated November 8, 2007, absent production or continuous operations.

As to the first set of leases, it is Texas Land's position that they did not terminate in February, 2005 because the 125 acre Irish tract was included in the pooled unit for the L.R. Irish Gas Unit, Well No. 1 being re-entered by Harleton. Harleton filed a Form W-1 for the re-entry of the well in November, 2003. Texas Land states that Harleton worked on the well from at least February 2004 through April 2004. Commission production records show that Harleton produced 532 MCF from the well in April 2004 and 419 mcf in May 2004. Although Mark McCartt of Texas Land testified that Harleton continuously worked on the re-entry of the L. R. Irish, Well No. 1 from February 2005 through April 2005, he produced no concrete evidence of that fact.

As to the second set of leases, the record is clear that Texas Land produced the Irish Gas Unit, Well No. 1 from July 2005 through September 2006, a period of time within the primary term of the second set of leases. Agave's Cross Examination Exhibit No. 2, an October 14, 2008 print-out of a production data query for the Leggett Gas Unit, Well No. 1, indicates that Texas Land reported production of 121 barrels of condensate for November 2007. This production is within the primary term of the second set of leases and the continued production maintains the leases in their secondary term.

Texas Land has filed amended production reports and a mainframe Production Data Query now reflects the previously unreported production from the Leggett Gas Unit, Well No. 1 starting in September 2006 with no cessation of production in excess of 90 days. Significant production (5961 MCF) is reported for July 2007 and continues to May, 2009.

As the holder of 24 percent of the minerals in at least 40 acres surrounding the Irish Gas Unit, Well No. 1 out of the 125 acre Irish tract, Texas Land is a mineral cotenant. As a cotenant, Texas Land has the right to extract minerals from common property without obtaining the consent of its other cotenants [see Byrom v. Pendley, 717 S.W.2d 602, 605 (Tex. 1986); Cox v. Davison, 397 S.W.2d 200, 201 (Tex. 1965) and Burnham v. Hardy Oil Co., 147 S.W. 330, 334-35 (Tex. Civ. App. - San Antonio) *aff'd on other grounds*, 108 Tex. 555; 195 S.W. 1139 (1917)]. The examiner concludes that Texas Land has met its burden and has demonstrated a good faith claim of a continuing right to operate the subject well. Accordingly, the examiner recommends that the plugging extension for the Irish Gas Unit, Well No. 1 be reinstated.

**FINDINGS OF FACT**

1. At least ten (10) days notice of the hearing in this docket was sent to all parties entitled to notice. Texas Land & Petroleum Co., LLC (“Texas Land”) appeared at the hearing and presented evidence and testimony. Jack Irish appeared on behalf of the Irish family and presented testimony and evidence. Agave Operating Company (“Agave”) appeared to present evidence and cross-examine Texas Land.
2. This hearing was called at the request of Texas Land to contest cancellation of the Statewide Rule 14(b)(2) plugging extension for the Irish Gas Unit, Well No. 1 (RRC ID No. 216234), Joaquin (Travis Peak) Field, Shelby County, Texas.
3. Texas Land has an active Form P-5 Organization Report and approved financial assurance in the form of a bond in the amount of \$25,000.
4. Texas Land designated itself the operator of the subject well by filing a Form P-4 (Certificate of Compliance and Transportation Authority) with an effective date of July 23, 2005 and an approved date of August 11, 2006.
5. The subject well has been inactive for more than one year and has not been plugged. Production for the subject well was last reported to the Commission for September 2006. The well is currently sealed due to delinquent G-10s.
6. On July 14, 2008, Examiner Jim Doherty issued a letter cancelling the Statewide Rule 14(b)(2) plugging extension for the subject well due to the failure of Texas Land to submit evidence of its good faith claim to a continuing right to operate the well.
7. Prior to drilling the Irish Gas Unit, Well No. 1 (RRC ID No. 216234), Texas Land researched the title to the 125 acre drillsite tract and found outstanding unleased mineral interests totaling 27.98 percent.
  - a. Of the 27.98 percent unleased interest, Texas Land acquired leases on the majority of the interests, resulting in the acquisition of an additional 24 percent interest in the 125 acre Irish tract.
  - b. With one exception (a two year lease), the leases on the 24 percent interest in the 125 acre Irish tract were for a primary term of three years, beginning November 2004.
  - c. Texas Land’s leases have 90 day continuous operations clauses.
8. On October 23, 2006, Texas Land filed a “Declaration of Pooled Unit” for the 704 acre Leggett Gas Unit, Well No. 1 (RRC ID No. 222668). This gas unit lay directly to the west



of the Irish Gas Unit and did not include any of the lands in the Irish Gas Unit.

9. Texas Land prepared an "Amendment to Pooled Unit" regarding the Leggett Gas Unit with an effective date of November 1, 2006 which was notarized as of that date. The amendment to the unit, among other things, decreased some of the acreage previously held in the unit, but took in the northernmost 40 acres out of the 125 acre Irish tract in the Thomas Kilgore Survey, A-409, maintaining an overall size of 704 acres. The 40 acres added is the location of the Irish Gas Unit, Well No.1 (RRC ID No. 216234).
10. Texas Land reported production from the Leggett Gas Unit, Well No. 1 (RRC ID No. 222668) for November 2007, within the three year primary term of the leases taken on an outstanding 24 percent undivided interest in the 125 acre Irish tract. The November 2007 production, which continued to at least the hearing date, maintains the leases on the 24 percent undivided interest in the 125 acre Irish tract at least as to the 40 acres surrounding the Irish Gas Unit, Well No. 1 (RRC ID No. 216234).
11. Texas Land has a good faith claim of a continuing right to operate the Irish Gas Unit, Well No. 1 (RRC ID No. 216234).
12. A Statewide Rule 14(b)(2) plugging extension for the Irish Gas Unit, Well No. 1 (RRC ID No. 216234), Joaquin (Travis Peak) Field, Shelby County, may be reinstated at such time as Commission records reflect that the well is in compliance with all Texas statutes and Commission rules.

#### **CONCLUSIONS OF LAW**

1. Proper notice of hearing was timely given to all persons legally entitled to notice.
2. All things have occurred and been accomplished to give the Commission jurisdiction to decide this matter.
3. Pursuant to Statewide Rule 14(b)(2)(B) [Tex. R.R. Comm'n, 16 TEX. ADMIN. CODE. §3.14(b)(2)(B)], an operator with approved financial assurance may be granted a plugging extension for a well that has been inactive for 12 months or more is the well and associated facilities are in compliance with all statutes and Commission rules, and the operator has, and upon request provides, a good faith claim of a continuing right to operate the well.
4. Pursuant to Statewide Rule 14(a)(1)(E) [Tex. R.R. Comm'n, 16 TEX. ADMIN. CODE. §3.14(a)(1)(E)], a good faith claim is a factually supported claim based on a recognized legal theory to a continuing possessory right in a mineral estate, such as evidence of a currently valid oil and gas lease or a recorded deed conveying a fee interest in the mineral estate.

5. Production of the Leggett Gas Unit, Well No. 1 (RRC ID No. 222668), which includes the northernmost 40 acres out of the 125 acre Irish tract surrounding the Irish Gas Unit Well No. 1 (RRC ID No. 216234), was obtained within the primary term of leases conveying 24 percent of the mineral interest in the 125 acre Irish tract. This production provides Texas Land with a factually supported claim based on a recognized legal theory to a continuing possessory right in at least 24 percent of the mineral estate in the northernmost 40 acres of the 125 acre Irish tract around the subject well.
6. Texas Land has a good faith claim to a continuing right to operate the Irish Gas Unit, Well No. 1 (RRC ID No. 216234), Joaquin (Travis Peak) Field, Shelby County.
7. A Statewide Rule 14(b)(2) plugging extension for the Irish Gas Unit, Well No. 1 (RRC ID No. 216234), Joaquin (Travis Peak) Field, Shelby County should be approved if the well is in compliance with all relevant Texas statutes and Commission rules.

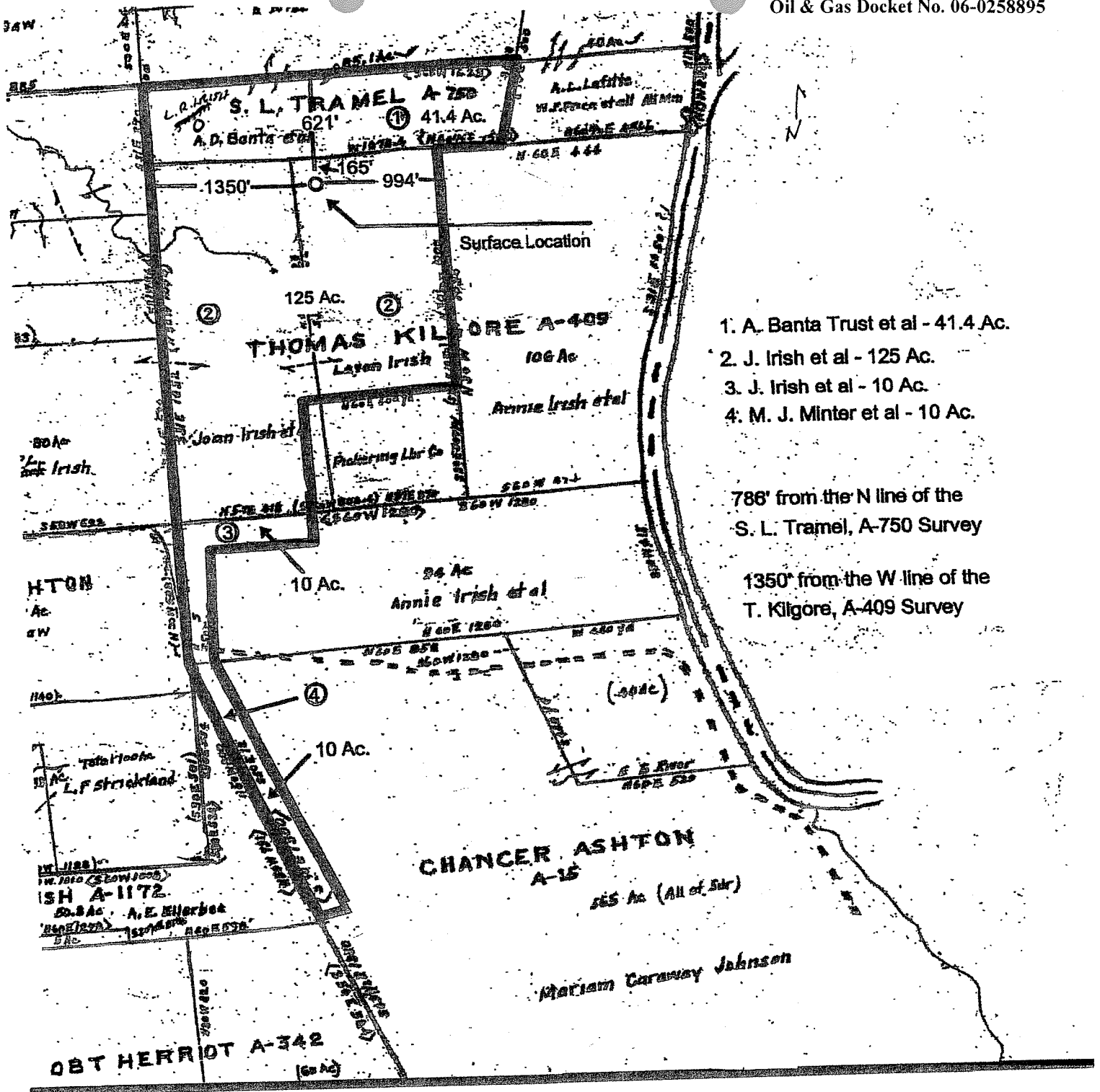
**RECOMMENDATION**

The examiner recommends that the attached Final Order be adopted ordering that the Statewide Rule 14(b)(2) plugging extension for the Irish Gas Unit, Well No. 1 (RRC ID No. 216234), Joaquin (Travis Peak) Field, Shelby County, be **REINSTATED**, provided that the well is in compliance with all relevant Texas statutes and Commission rules.

Respectfully submitted,



Marshall Enquist  
Hearings Examiner



1. A. Banta Trust et al - 41.4 Ac.
2. J. Irish et al - 125 Ac.
3. J. Irish et al - 10 Ac.
4. M. J. Minter et al - 10 Ac.

786' from the N line of the  
S. L. Tramel, A-750 Survey

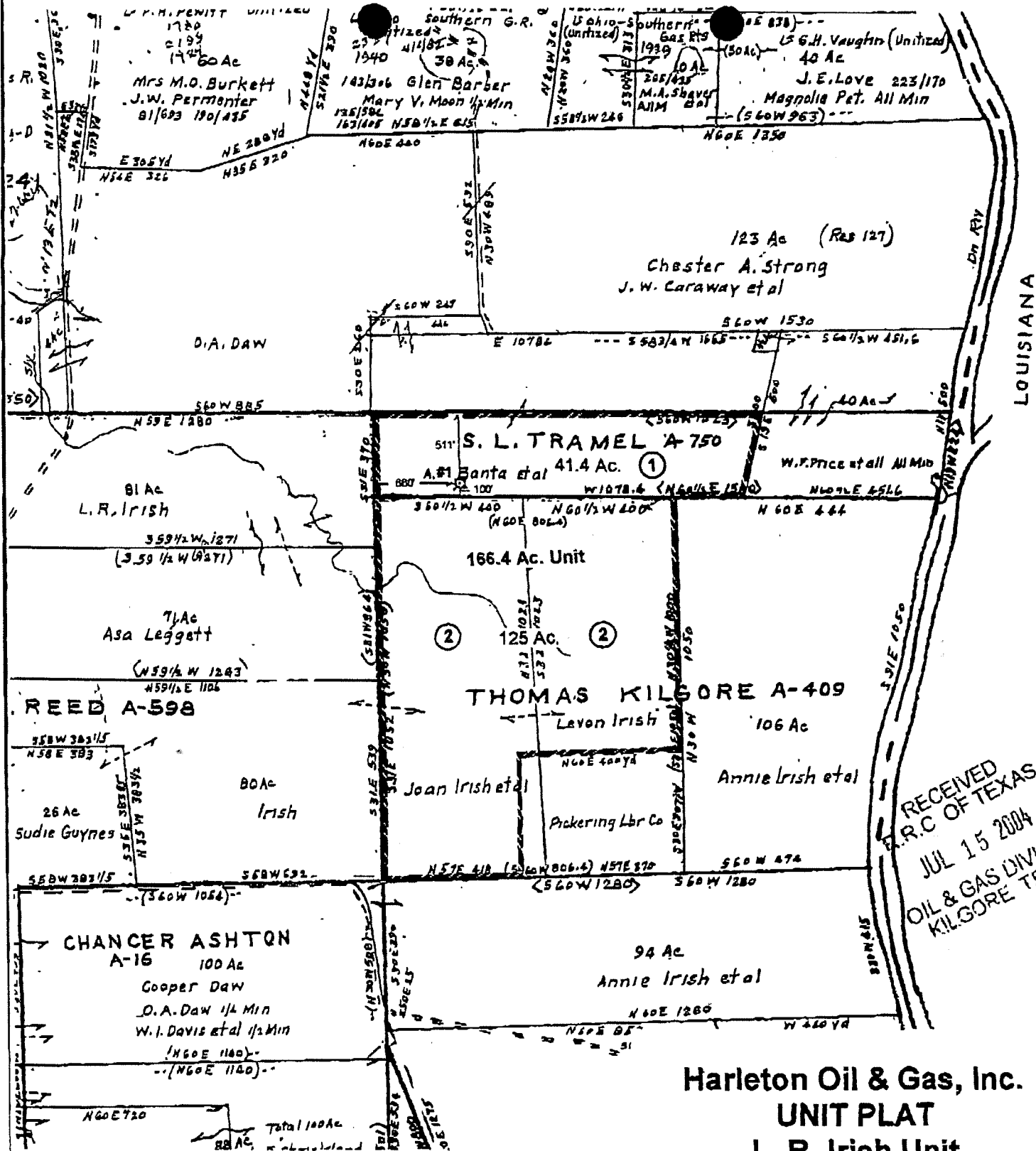
1350' from the W line of the  
T. Kilgore, A-409 Survey

I HEREBY CERTIFY THIS PLAT TO BE TRUE AND CORRECT  
TO THE BEST OF MY KNOWLEDGE AND BELIEF.

*[Signature]*

**WELL LOCATION PLAT  
TEXAS LAND & PETROLEUM CO., LLC  
IRISH GAS UNIT #1**

Part of the S. L. Tramel, A-750, T. Kilgore, A-409,  
C. Ashton, A-15 Surveys  
Shelby County, Texas      Scale 1" = 1000'



RECEIVED  
P.R.C. OF TEXAS  
JUL 15 2004  
OIL & GAS DIVISION  
KILGORE TEXAS

**Harleton Oil & Gas, Inc.**  
**UNIT PLAT**  
**L. R. Irish Unit**

Part of the S.L. Tramel A-750 and  
Thomas Kilgore A-409 Surveys

Shelby County, Texas

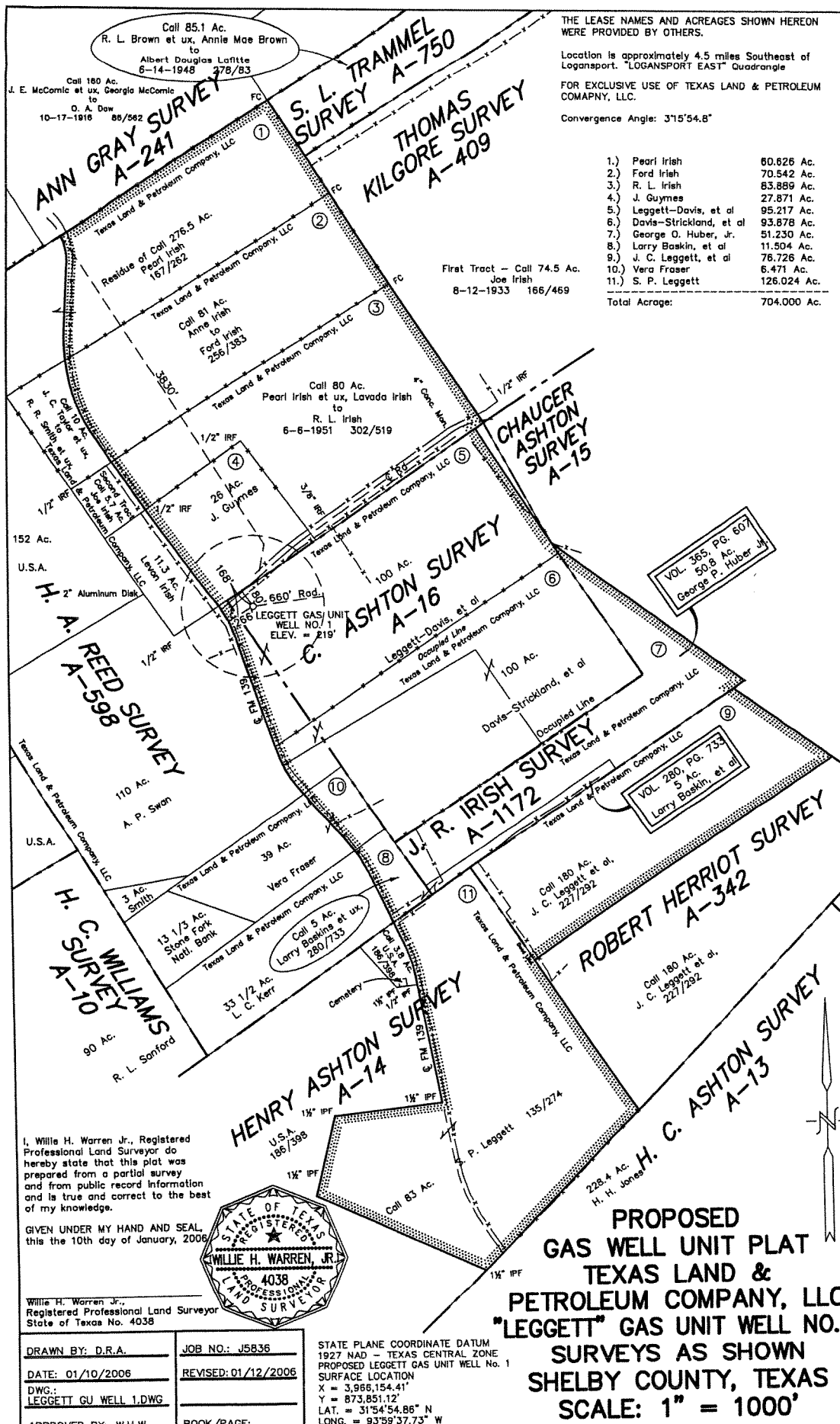
Scale : 1" = 1000'

I, BRUCE A. WOOLDRIDGE hereby certify that this plat drawn to the scale indicated, accurately represents the location of the well for which permit to drill is sought. Boundaries of Unit tracts are based on the work of others. This plat shows all pertinent data required to be shown on such plat by orders of the Railroad Commission of Texas.

*[Signature]*

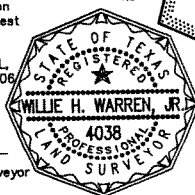
DATE:

API# 419-30567



I, Willie H. Warren Jr., Registered Professional Land Surveyor do hereby state that this plat was prepared from a partial survey and from public record information and is true and correct to the best of my knowledge.

GIVEN UNDER MY HAND AND SEAL, this the 10th day of January, 2006



Willie H. Warren Jr., Registered Professional Land Surveyor State of Texas No. 4038

DRAWN BY: D.R.A.	JOB NO.: J5836
DATE: 01/10/2006	REVISED: 01/12/2006
DWG.: LEGGETT GU WELL 1.DWG	
APPROVED BY: W.H.W.	BOOK/PAGE:

Declaration of Pooled Unit - Leggett Gas Unit