

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

OIL & GAS DOCKET NO. 03-0262001

APPLICATION OF GEORGE L. MCLEOD, INC., PURSUANT TO THE MINERAL INTEREST POOLING ACT TO CREATE A POOLED UNIT FOR THE MILAGRO EXPLORATION, L.L.C. H. C. COCKBURN YEGUA LEASE, WELL NO. 1, MAGNET WITHERS (MARTINEZ SAND) FIELD, WHARTON COUNTY, TEXAS

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, the motion to dismiss of protestant Milagro Exploration, L.L.C. was heard at pre-hearing conference on August 17, 2009, the examiners have made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record, 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 proposal for decision and the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, 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 motion to dismiss filed by Milagro Exploration, L.L.C. is **GRANTED**, and the application of George L. McLeod, Inc., for formation of a pooled unit pursuant to the Mineral Interest Pooling Act is hereby **DISMISSED** for lack of jurisdiction..

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party of interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the parties are notified of the order.

Each exception to the examiner's proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

Done this 15th day of December, 2009, in Austin, Texas.


RAILROAD COMMISSION OF TEXAS



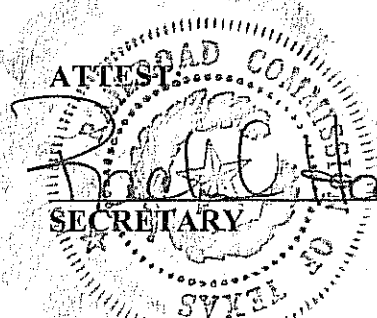

CHAIRMAN VICTOR G. CARRILLO



COMMISSIONER ELIZABETH A. JONES



COMMISSIONER MICHAEL L. WILLIAMS


ATTEST


SECRETARY