

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

OIL & GAS DOCKET NO. 06-0245016

APPLICATION OF PATRICIA C. NOWAK FOR FORMATION OF A POOLED UNIT PURSUANT TO THE MINERAL INTEREST POOLING ACT, PROPOSED WALDROP GAS UNIT 1-A, CARTHAGE (COTTON VALLEY) FIELD, PANOLA COUNTY, TEXAS

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on January 20, 2006, 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 application of Patricia C. Nowak for formation of a pooled unit pursuant to the Mineral Interest Pooling Act is **GRANTED**, in part, and the leases of Patricia C. Nowak and Comstock Oil & Gas L.P. are pooled into a pooled unit containing 220 acres in the Sion Hardin Survey, A-321, Carthage (Cotton Valley) Field, Panola County, Texas, being the same 220 acres described as the proration unit for the Waldrop Gas Unit 1, Well No. 1-5 in the plat associated with the Comstock Oil & Gas, L.P. Form P-15 (Statement of Productivity of Acreage Assigned to Proration Units) dated August 31, 2005, for the Waldrop Gas Unit 1, Well No. 1-6, as described in Comstock Oil & Gas L.P. Exhibits 16 and 17 in this docket, more particularly delineated on Appendix "A" to this Final Order, which is incorporated herein for all purposes, subject to the following terms and conditions:

CONDITIONS

1. The name of the unit is the Waldrop Gas Unit 1-A.
2. The operator of the unit is Comstock Oil & Gas. L.P.
3. The existing unit well is Well No. 1-5.
4. The unit shall be effective on the date this Final Order is administratively final.
5. The unit is established for and limited to the depth interval correlative with the Carthage (Cotton Valley) Field.
6. Comstock Oil & Gas L.P. shall have the right, at its election, voluntarily to add to the Waldrop Gas Unit 1-A other acreage from the Waldrop Gas Unit 1 sufficient to make the resulting unit equal to 320 acres, which is the size of the standard proration unit for the Carthage (Cotton Valley) Field as of the date of this Final Order, plus 10 percent tolerance.

7. To the extent not inconsistent with the terms and conditions of this Final Order, the terms and provisions of the Joint Operating Agreement applicable to the Waldrop Gas Unit 1 as of January 20, 2006, shall apply to the Waldrop Gas Unit 1-A.
8. Production, revenues and expenses associated with the Waldrop Gas Unit 1-A shall be allocated to the working interest owners based on each such owner's net pro rata share of surface acreage contributed to the unit.
9. Patricia C. Nowak's share of drilling and completion costs for Well No. 1-5, plus a risk penalty of 25 percent, shall be taken out of her share of production from and after the effective date of the unit.

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.

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 at 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.

Done this 6th day of July, 2006.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN ELIZABETH A. JONES

COMMISSIONER MICHAEL L. WILLIAMS

COMMISSIONER VICTOR G. CARRILLO

ATTEST:

SECRETARY