

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

OIL AND GAS DOCKET NO. 09-0248455

THE APPLICATION OF TRIBBLE HILL LTD., PURSUANT TO THE MINERAL INTEREST POOLING ACT FOR THE DEVON ENERGY OPERATING CO., L.P. ADA MORRIS UNIT WELL NO. 7, NEWARK, EAST (BARNETT SHALE) (65280200) FIELD, WISE COUNTY, TEXAS.

FINAL ORDER

The Commission finds that after statutory notice the above-captioned proceeding was heard by the examiner on March 15, 2007. Having been duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, the Commission makes the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

1. Pursuant to Texas Natural Resources Code §102.016, notice of the captioned hearing was provided to all interested parties in the manner and form prescribed by the Commission 30 days prior to the hearing.
2. Tribble Hill, Ltd. (hereinafter "Tribble Hill"), Devon Energy Operating Co., L.P. (hereinafter "Devon"), and various overriding royalty interest owners (Sandra Warren, Ed Warren and Barbara Pfeil) were given 30 days notice of this proceeding. Tribble Hill appeared at the scheduled time and place for the hearing through its attorney, Glenn Johnson. Devon appeared through its attorney, Michael McElroy. Overriding royalty interest owners Sandra Warren and Barbara Pfeil appeared through their attorney, Rex White. All parties have agreed in writing to waive issuance of a PFD in this matter and have agreed in writing that this Final Order shall be effective as of July 18, 2007.
3. Tribble Hill has filed an application pursuant to the Mineral Interest Pooling Act ("the MIPA") requesting that the Commission forcibly pool Tribble Hill's interest in a 1.979 acre tract into the proposed Ada Morris Unit Well No. 7, which will be a 40 acre proration unit.
4. Devon did not oppose the application of Tribble Hill, but instead appeared at the hearing as an observer. The overriding royalty interest owners appeared at the hearing as protestants, in order to make Tribble Hill prove its case. The overriding royalty interest owners did not present a direct case opposing the application.
5. The Newark, East (Barnett Shale) Field was discovered October 15, 1981. The field rules are 330 feet leaseline spacing and no between-well spacing, on 320 acre units with 10% tolerance (32 acres) with 20 acre options. The allocation formula for the field is suspended.

6. The Ada Morris Well No. 7 was drilled and completed in 1993 by Mitchell Energy on a proposed 164.74 acre proration unit, out of the larger 644.74 acre Ada Morris Lease. The well began producing in January of 1994. Devon subsequently became the owner of the unit. Tribble Hill has applied to pool into a 40 acre proration unit around the Ada Morris Well No. 7.
6. After negotiations between Tribble Hill and Devon, Tribble Hill, by letter dated December 29, 2006, made a fair and reasonable offer to pool voluntarily on the same yardstick basis as the other owners within the existing proration unit.
 - a. Tribble Hill offered to pool based on the same lease form, terms, and bonus paid to the other royalty owners in the tract.
 - b. Tribble Hill proposed that Devon continue to be the operator of the proposed force-pooled unit.
 - c. Tribble Hill's offer did not contain any of the following provisions:
 - i. Preferential right of the operator to purchase mineral interests in the unit,
 - ii. A call or option to purchase production from the unit,
 - iii. Operating charges that include any part of district or central office expense other than reasonable overhead charges,
 - iv. A prohibition against non-operators questioning the operation of the unit.
7. Tribble Hill has not drilled a well on its 1.979 acre tract and has no plan to do so.
8. Tribble Hill's offer to pool does not apply to land owned by the State of Texas nor to land in which the State of Texas has an interest directly or indirectly.
9. Existing wells in the Newark, East (Barnett Shale) Field within one mile of the Ada Morris Unit, Well No. 7 are all producing wells, averaging EURs of 1.5 to 3 BCF. The Newark, East (Barnett Shale) Field is a blanket formation in this area. Tribble Hill's 1.979 acre tract is productive acreage and all acreage in the proposed force-pooled unit appears to lie within the productive limits of the reservoir.
10. The parties have agreed that Devon will become Lessee to Tribble Hill and include Tribble Hill in its Ada Morris Unit Well No. 7. The parties have agreed that Tribble Hill will not be subject to a risk penalty as a requirement of entering the unit.
11. Force-pooling of the 1.979 acre Tribble Hill tract as proposed will prevent the drilling of

unnecessary wells and will protect correlative rights.

CONCLUSIONS OF LAW

1. Proper notice of hearing was timely issued to the appropriate persons entitled to notice.
2. All things necessary to the Commission attaining jurisdiction have occurred.
3. Devon, the operator of the existing Ada Morris Well No. 7 proration unit, did not contest the granting of the MIPA application of Tribble Hill. The parties have agreed in writing to waive issuance of a PFD in this docket and have agreed that the proposed pooled unit shall become effective as of July 18, 2007.
4. Tribble Hill made a fair and reasonable offer to pool voluntarily as required by Texas Natural Resources Code §102.013.
5. Pursuant to Texas Natural Resources Code §102.011, the Commission has authority to forcibly pool separately owned interests in oil and gas within an existing or proposed proration unit in a common reservoir, where the owners have not agreed to pool their interests and where at least one of the owners of the right to drill has drilled or has proposed to drill a well on the existing or proposed proration unit to the common reservoir, for the purpose of avoiding the drilling of unnecessary wells, protecting correlative rights, or preventing waste.
6. The application of Tribble Hill Ltd. meets the requirements of the Mineral Interest Pooling Act [Texas Natural Resources Code, Chapter 102] to the extent approved in the Commission's Final Order in this docket.
7. Approval of the application of Tribble Hill, Ltd. to the extent set forth in the Commission's Final Order in this docket is necessary to protect correlative rights within the meaning of Texas Natural Resources Code §102.011.
8. Approval of the application of Tribble Hill, Ltd. to the extent set forth in the Commission's Final Order in this docket is fair and reasonable and will afford the owner or owners of each tract or interest in the unit the opportunity to produce or receive each owner's fair share within the meaning of Texas Natural Resources Code §102.017(a).

The Commission, after review and due consideration of the findings of fact and conclusions of law contained herein, hereby adopts as its own the findings of fact and conclusions of law contained herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of Tribble Hill, Ltd. for the formation of a pooled unit pursuant to the Mineral Interest Pooling Act is **GRANTED** and the 1.979 acre Tribble Hill tract is pooled into a pooled unit which will contain

a total of 40 acres in the Smith County School Land Survey, Block 58, Survey A-744, known as the Ada Morris Unit Well No. 7, as described in Tribble Hill Exhibit 2 in this docket, attached as Appendix 1 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 Ada Morris Unit Well No. 7.
2. The operator of the unit is Devon Energy Operating Co., L.P.
3. The existing unit well is the Ada Morris No. 7.
4. The unit shall be effective on the date the Master Order including this docket is signed.
5. The unit is established for and limited to the depth interval correlative with the Newark, East (Barnett Shale) Field.

It is further **ORDERED** by the Commission that this order shall be effective on July 18, 2007.

All pending motions and requests for relief not previously granted or granted herein are denied.

Done this 17th day of July, 2007, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated
July 17, 2007)**