

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

**OIL & GAS DOCKET
NO. 06-0263730**

**RE: THE APPLICATION OF EXXON
MOBIL CORPORATION TO SUSPEND
THE ALLOCATION FORMULA IN THE
OVERTON (HAYNESVILLE) FIELD, SMITH
COUNTY, TEXAS**

FINAL ORDER

After statutory notice in the above numbered docket heard on February 5, 2010, the Railroad Commission of Texas makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Notice of at least ten (10) days was given to all operators in the field and no one appeared at the hearing in protest.
2. The Overton (Haynesville) Field is a non-associated field which was discovered in October 1974. There are five operators and nineteen gas wells carried on the proration schedule.
3. All operators of producing wells in the subject field have 100% market demand for the gas produced from wells under their control.
 - a. Comstock Oil & Gas, LP, Goldston Oil Corporation and Valence Operating Company executed Form AOF-2 for the subject field.
 - b. NFR Energy, LLC did not execute Form AOF-2, as their well that is carried on the proration schedule does not produce from the field and is listed as partially plugged.
 - c. Exxon Mobil Corporation's investigation of market conditions in the field did not reveal any curtailments of production due to lack of market.
 - d. One of Exxon Mobil Corporation's wells is overproduced by 14.8 MMCFG, indicating that a market exists for its produced gas.
4. Suspension of the allocation formula in the Overton (Haynesville) Field will not cause a pipeline limitation.

CONCLUSIONS OF LAW

1. Proper notice was issued by the Railroad Commission of Texas to persons legally entitled to notice.
2. All things have been done and occurred to give the Railroad Commission of Texas jurisdiction to decide this matter.
3. The subject field meets all the criteria established for suspension of the allocation formula under Statewide Rule 31(j).
4. Cancellation of the overproduction in the Overton (Haynesville) Field will not cause waste and will not harm correlative rights.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of Exxon Mobil Corporation for suspension of the allocation formula in the Overton (Haynesville) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Overton (Haynesville) Field drops below 100% of deliverability. If the market demand for gas in the Overton (Haynesville) Field drops below 100% of deliverability while the allocation formula is suspended, the operator shall immediately notify the Commission and the allocation formula shall be immediately reinstated.

It is further **ORDERED** that all overproduction in the Overton (Haynesville) Field is hereby cancelled.

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)**