RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET
NO. 04-0226662

IN THE BOB WEST, NORTH (L-1, L-2, L-3) FIELD,
ZAPATA COUNTY, TEXAS

FINAL ORDER
GRANTING THE APPLICATION OF CHANOCO CORPORATION
TO HAVE PORTIONS OF ZAPATA COUNTY
DESIGNATED AS TIGHT GAS FORMATIONS
BOB WEST, NORTH (L-1, L-2, L-3) FIELD,
ZAPATA COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on January 19, 2001, the presiding examiner has made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; 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 examiner's report and recommendation, the findings of fact and conclusions of law contained therein, 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 effective March 20, 2001, the application of Chanoco Corporation and TransTexas Gas Corporation for the Commission's certification that the L-1, L-2, L-3, L-4 and L-5 formations of the Bob West, North (L-1, L-2, L-3) Field, within the correlative interval between 7910 feet and 8640 feet, measured depth, (7740 feet and 8424 feet TVD) as seen on the type log of the TransTexas-Palmyra ‘A’ Well No. 1 (API #42-505-33328) in an estimated 4800 acres of Porcion 19, M.J. Guerra Survey A-31; Porcion 18, J. Ramirez Survey A-76; Porcion 17, C. Ramirez Survey A-77; Porcion 16, B. Gutierrez Survey A-36; and Porcion 15, J. Gutierrez Survey A-35, as identified by plat submitted, is a tight gas formation and therefore produces high cost gas pursuant to 16 TAC §3.101, be and it is hereby approved.

It is further ORDERED that the Commission's certification that the LZ-4 formation of the Bob West, North (L-1, L-2, L-3) Field, within the correlative interval between 8430 and 8560 feet, measured depth (6435 feet and 653 feet TVD) as seen on the type log of the TransTexas-Palmyra No. 13 (API #42-505-33597) in an estimated 2850 acres of Porcion 18, J. Ramirez Survey A-76; and Porcion 17, C. Ramirez Survey A-77 in Zapata County, Texas, identified by plat submitted, is a tight gas formation and therefore produces high cost gas pursuant to 16 TAC §3.101, be and it is hereby also approved.

Done this twentieth day of March, 2001.

RAILROAD COMMISSION OF TEXAS

Chairman Michael L. Williams

Commissioner Charles R. Matthews

Commissioner Tony Garza

ATTEST

Secretary