

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

**OIL & GAS DOCKET
NO. 04-0263081**

**RE: THE APPLICATION OF EXXON
MOBIL CORPORATION TO SUSPEND
THE ALLOCATION FORMULA IN THE
ALAZAN, NORTH (FRIO CONS.) FIELD,
KLEBERG COUNTY, TEXAS**

FINAL ORDER

After statutory notice in the above-numbered docket heard on December 11, 2009, 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 Alazan, North (Frio Cons.) Field is a associated-prorated field which was consolidated from other Alazan and Madero fields in 1997. Exxon Mobil is only operator in the field with 17 wells.
3. There is no evidence that Exxon Mobil's producing wells in the subject field do not have 100% market demand for the gas produced from wells under their control.
 - a. Reservoir capability since April 2009 has ranged from 200 MMCF per month to 325 MMCF per month.
 - b. Production from the field exceeds the assigned allowable.
 - c. Well statuses range from 434 MMCF under to 167 MMCF over.
 - d. The field has been balanced four times since 1999 to correct fluctuations in assigned allowables.
4. Suspension of the allocation formula in the Alazan, North (Frio Cons.) 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).

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 Alazan, North (Frio Cons.) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Alazan, North (Frio Cons.) Field drops below 100% of deliverability. If the market demand for gas in the Alazan, North (Frio Cons.) 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 by the Railroad Commission of Texas that fieldwide balancing of the Alazan, North (Frio Cons.) Field, Kleberg County, Texas, is hereby approved, to be effective February 1, 2010.

For so long as the allocation formula for this field remains suspended, operators shall not be required to submit a plat when filing Form P-15 for wells completed in this field; provided, however, that operators are required to submit for each well completed in this field a Form P-15, without a plat, stating the amount of acres assigned to the well for proration purposes.

Done this 26th day of January, 2010.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotected Master Order dated
January 26, 2010)**