

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

**OIL & GAS DOCKET
NO. 06-0250378**

**RE: THE APPLICATION OF C.W.
RESOURCES, INC. TO SUSPEND THE
ALLOCATION FORMULA IN THE
GLADEWATER (HAYNESVILLE) FIELD,
UPSHUR AND GREGG COUNTIES,
TEXAS**

FINAL ORDER

After statutory notice in the above-numbered docket heard on February 22, 2007, 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 Gladewater (Haynesville) Field is a non-associated field which was discovered in 1977. There are sixty six wells in the field operated by eight operators. The operators include: BP America Production Company, C.W. Resources Inc., EOG Resources Inc., Exxon Mobil Corporation, Goldston Oil Corporation, Maximus Operating, LTD., Samson Lone Star LP and XTO Energy Inc..
3. All operators of producing wells in the subject field have 100% market demand for the gas produced from wells under their control.
 - a. C.W. Resource Inc., Samson Lone Star LP and XTO Energy, Inc. executed Form AOF-2 for the subject field.
 - b. BP America Production Company, EOG Resources Inc., Exxon Mobil Corporation, Goldston Oil Corporation and Maximus Operating, LTD. did not execute Form AOF-2 but did not protest the application.
 - c. C.W. Resource's investigation of market conditions in the field did not reveal any curtailments of production due to lack of market.
 - d. C.W. Resource's gatherer is KM Tejas Pipeline, LP which gathers gas from all of the operators. C.W. Resource submitted a letter from KM Tejas Pipeline, LP indicating a market for 100% of the gas produced from the field.

4. Suspension of the allocation formula in the Gladewater (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).

Therefore, it is ORDERED by the Railroad Commission of Texas that the application of C.W. Resource Inc. for suspension of the allocation formula in the Gladewater (Haynesville) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Gladewater (Haynesville) Field drops below 100% of deliverability. If the market demand for gas in the Gladewater (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.

Done this 29th day of March, 2007.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotested Master Order dated March
29, 2007)**