

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

OIL & GAS DOCKET NO. 09-0260202

APPLICATION OF XTO ENERGY, INC., FOR CREATION OF A FORCE POOLED UNIT PURSUANT TO THE MINERAL INTEREST POOLING ACT FOR ITS TEXAS STEEL "A" UNIT, WELL NO. 1H, NEWARK, EAST (BARNETT SHALE) FIELD, TARRANT COUNTY, TEXAS

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on February 20, 2009, and October 5, 2009, the examiners have made and filed a report and amended proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record, 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 amended proposal for decision and the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts as its own Findings of Fact Nos. 1 through 18 and 20 through 22 and the Conclusions of Law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein. Finding of Fact No. 23 in the amended proposal for decision is not adopted because it is unnecessary to disposition of the case. The Commission makes the following substitute Finding of Fact:

Substitute Finding of Fact

19. There are regular locations within the proposed unit area where horizontal wells could be drilled practically and economically on a 303.3658 acre voluntary unit that XTO may form without compulsory pooling.
 - a. XTO has obtained drilling permits for three horizontal wells at regular locations in the Newark, East (Barnett Shale) Field on the northern 130 acres of the proposed unit area.

- b. Another horizontal well that XTO is able to drill within the proposed unit area on a 303.3658 acre voluntary unit, as shown on XTO Exhibit No. R12 incorporated into this finding by reference, would have drainhole length of 3,946 feet. Assuming that this well would recover 0.8833 MMCF per foot, the well would have an estimated ultimate recovery of 3,485.5 MMCF.
- c. Although the location of the wells would need to be shifted to the east, it is likely that there is sufficient "regular location" acreage within the 303.3658 acre voluntary unit that XTO may form to drill two regularly located horizontal wells with a northwest to southeast orientation similar to that shown in XTO Exhibit No. 29 that would have combined drainhole length exceeding that of the well proposed to be drilled by XTO if compulsory pooling is ordered.
- d. Another horizontal well that could be drilled at a regular location within the proposed unit area on the 303.3658 acre voluntary unit that XTO may form without compulsory pooling, as shown on XTO Exhibit No. 27 incorporated into this finding by reference, would have a drainhole length of 4,369 feet, and assuming recovery of 0.8833 MMCF per foot, would have an estimated ultimate recovery of about 3,859 MMCF.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of XTO Energy, Inc., for formation of a pooled unit pursuant to the Mineral Interest Pooling Act is hereby **DENIED**.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party of interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the parties are notified of the order.

Each exception to the examiner's amended proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

Done this 9th day of February, 2010, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS



CHAIRMAN VICTOR G. CARRILLO



COMMISSIONER ELIZABETH A. JONES

ATTEST:



SECRETARY

