

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

OIL & GAS DOCKET NO. 7B-0249737

COMMISSION CALLED HEARING ON THE COMPLAINT OF CHARLES G. JUSTIS, JR. SEEKING THE VOIDING OF THE FORM P-5 ORGANIZATION REPORT OF N/J PRODUCTION AND THE VOIDING AND RECISSION OF ALL FORM P-4 CERTIFICATES OF COMPLIANCE TRANSFERRING VARIOUS LEASES AND WELLS IN DISTRICT 7B TO N/J PRODUCTION

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on December 4 and 19, 2006, the examiners have made and filed a report and 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 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 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.

It is accordingly **ORDERED** that the Form P-5 organization report of N/J Production (Operator No. 598620) approved on June 8, 2006, is hereby **REVOKED**.

It is further **ORDERED** that the administrative approvals on June 9, 2006, June 16, 2006, and June 20, 2006, of Forms P-4 transferring the Fleming Estate Lease, Well No. 1 (RRC ID No. 073617), the Cupps, S. D. Lease, Well No. 1 (RRC ID No. 080421), the Hunshell, Horace Lease, Well No. 1 (RRC ID No. 120864), the Hunshell, Horace Lease, Well No. 2 (RRC ID No. 122226), the Hunshell, Horace Lease, Well No. 3 (RRC ID No. 122335), the Cupps, S. D. Lease, Well No. 3 (RRC ID No. 123504), the Cupps, S. D. Lease, Well No. 5 (RRC ID No. 124343), the Cupps, S. D. Lease, Well No. 4 (RRC ID No. 124494), the E. M. Guthrie Lease, Well No. 2 (RRC ID No. 140689), The Herring-Hill, Casey (00900) Lease, The Shaw, H. A. (00994) Lease, the Hays, T. M. Est. (06522) Lease, the J&B -C- (11895) Lease, the Long, Laura (16605) Lease, the Long, Laura "A" (17350) Lease, the Davenport (19788) Lease, the Herring, Casey (24615) Lease, the Herring, Casey "C" (24983) Lease, the Herring, Casey "A" (25271) Lease, the Herring, Casey "D" (25543) Lease, the Reeves (26551) Lease, and the Reeves "A" (26644) Lease, in Railroad Commission District 7B, from IPACT to N/J Production, are hereby **REVOKED**.

It is further **ORDERED** that IPACT (Operator No. 425810) shall be recognized as the record operator of the Fleming Estate Lease, Well No. 1 (RRC ID No. 073617), the Cupps, S. D. Lease, Well No. 1 (RRC ID No. 080421), the Hunshell, Horace Lease, Well No. 1 (RRC ID No. 120864), the Hunshell, Horace Lease, Well No. 2 (RRC ID No. 122226), the Hunshell, Horace Lease, Well No. 3 (RRC ID No. 122335), the Cupps, S. D. Lease, Well No. 3 (RRC ID No. 123504), the Cupps, S. D. Lease, Well No. 5 (RRC ID No. 124343), the Cupps, S. D. Lease, Well No. 4 (RRC ID No. 124494), the E. M. Guthrie

Lease, Well No. 2 (RRC ID No. 140689), The Herring-Hill, Casey (00900) Lease, The Shaw, H. A. (00994) Lease, the Hays, T. M. Est. (06522) Lease, the J&B -C- (11895) Lease, the Long, Laura (16605) Lease, the Long, Laura "A" (17350) Lease, the Davenport (19788) Lease, the Herring, Casey (24615) Lease, the Herring, Casey "C" (24983) Lease, the Herring, Casey "A" (25271) Lease, the Herring, Casey "D" (25543) Lease, the Reeves (26551) Lease, and the Reeves "A" (26644) Lease, in Railroad Commission District 7B.

Each exception to the examiners' 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.

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 at 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.

Done this ____ day of _____, 2007.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN ELIZABETH A. JONES

COMMISSIONER MICHAEL L. WILLIAMS

COMMISSIONER VICTOR G. CARRILLO

ATTEST:

SECRETARY