

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

OIL & GAS DOCKET NO. 02-0247462

COMMISSION CALLED HEARING TO CONSIDER THE APPLICATION OF AMERICAN COASTAL ENERGY, INC., FOR A STATEWIDE RULE 14(B)(2) PLUGGING EXTENSION FOR VARIOUS OFFSHORE WELLS, SHERMAN OFFSHORE (3900) ET AL. FIELDS, CALHOUN COUNTY, TEXAS

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on June 12, 2006, the examiner has 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.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of American Coastal Energy, Inc., for Statewide Rule 14(b)(2) plugging extensions for the State Tract 707-S, Well No. 1U (060757), Sherman (Offshore (3900) Field, State Tract 770-S, Well No. 4 (105015), Oakville, SW (4300) Field, State Tract 771-S, Well No. 1 (108845), Oakville, SW (4300) Field, State Tract 707-S, Well No. 5 (147076), Sherman Offshore (1600) Field, State Tract 708-S, Well No. 5C (127665), Sherman Offshore (1700) Field, State Tract 708-S, Well No. 5-T (158317), Sherman Offshore (2000) Field, State Tract 719-S, Well No. 1U (131844), Sherman Offshore, W. (1700 Mio.) Field, State Tract 719-S, Well No. 1L (132259), Sherman Offshore (2900 A) Field, State Tract 596-L, NE/4, Well No. 3UT (079076), Sherman Offshore, SW. (3020) Field, State Tract 596-L NE/4, Well No. 3LT (079121), Sherman Offshore, SW. (3950) Field, State Tract 596-L NE/4, Well No. 4U (104885), Sherman Offshore, SW. (2950) Field, and State Tract 596-L NE/4, Well No. 4L (104886), Sherman Offshore, SW. (3900) Field, Calhoun County, Texas [API Nos. 603 30004, 603 30214, 603 30221, 603 30238, 603 30252, 603 30254, 703 30124, and 703 30282] is hereby **DENIED**.

Each exception to the examiner's 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 8th day of August, 2006.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN ELIZABETH A. JONES

COMMISSIONER MICHAEL L. WILLIAMS

COMMISSIONER VICTOR G. CARRILLO

ATTEST:

SECRETARY