

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

**OIL & GAS DOCKET  
NO. 03-0264215**

**RE: THE APPLICATION OF ALLIED-GULF  
ENERGY, LLC TO CANCEL  
OVERPRODUCTION FOR THE ELENOR  
SHERRON, ET AL LEASE, WELL NO. 1,  
IN THE INEEDA (HACKBERRY) FIELD,  
JEFFERSON COUNTY, TEXAS**

**FINAL ORDER**

After statutory notice in the above numbered docket heard on February 10, 2010, 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 Ineeda (Hackberry) Field was discovered in March 1999 at an average depth of 8,400 feet. There are two wells carried on the proration schedule and Allied-Gulf Energy, LLC is the only operator in the field.
3. The top allowable in the field is 133 BOPD, with an allowable gas-oil ratio of 2,000 cubic feet per barrel.
4. The Elenor Sherron, et al Lease, Well No. 1, is a flowing well that produces with a 50% water cut.
5. The well is overproduced about 3,717 BO.
6. Reducing the flow rate to make up the overproduction, causes the well to load up with water and cease to flow.
7. Cancellation of overproduction for the Elenor Sherron, et al Lease, Well No. 1, will not harm correlative rights.

**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. Cancellation of the overproduction for the Elenor Sherron, et al Lease, Well No. 1, in the Ineeda (Hackberry) Field will not cause waste and will not harm correlative rights.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that all overproduction for the Allied-Gulf Energy, LLC - Elenor Sherron, et al Lease, Well No. 1 (API No. 42-245-32204), in the Ineeda (Hackberry) Field, Jefferson County, Texas is hereby canceled.

Done this 9<sup>th</sup> day of March, 2010.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotested Master Order dated March  
9, 2010)**