

RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION

OIL & GAS DOCKET NO. 09-0306577

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**APPLICATION OF JACQUELINE S. LIGON, LANE E. LIGON, IRENE J. LIGON NEWSOM AND ELANE A. LIGON A/K/A ELANE A MCGOWN PURSUANT TO STATEWIDE RULE 76 FOR APPROVAL OF A QUALIFIED SUBDIVISION FOR A TOTAL OF A 50.334 ACRE TRACT IN THE A.M. FETTUS SURVEY, ABSTRACT NO. 1591 AND M.E.P&P RY. CO. SURVEY, ABSTRACT NO. 913, DENTON COUNTY, TEXAS**

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**AGREED FINAL ORDER**

The Commission finds that after statutory notice the captioned proceeding was heard by the examiners on October 26, 2017. The proceeding having been duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, the Commission makes the following Findings of Fact and Conclusions of Law.

**FINDINGS OF FACT**

1. At least ten (10) days' notice of this hearing was given to all owners of the possessory mineral interest and to the mineral lessors of the proposed qualified subdivision. Notice of Hearing was published for four (4) consecutive weeks in the Denton Record-Chronicle, a newspaper of general circulation in the area of the proposed qualified subdivision, beginning on September 16, 2017.
2. Jacqueline S. Ligon, Lane E. Ligon, Irene J. Ligon Newsom and Elane A. Ligon a/k/a Elane A. McGowan (collectively, "Ligon Interests") are the applicants in this application and represent all surface owners of land contained in the proposed qualified subdivision.
3. Ligon Interests' 50.334-acre tract located in the A.M. Fettus Survey, Abstract No. 1591, Denton County, Texas meets the requirements of a qualified subdivision.
  - a. The proposed qualified subdivision is a tract less than 640 acres in size.
  - b. Denton County has a population in excess of 400,000.

- c. The proposed operation sites contain sufficient acreage and access thereto for equipment and pipeline adequate to ensure the full and effective development of the minerals which might underlie the proposed qualified subdivision.
4. The owners of the mineral interests underlying the tract are the Ligon Interests.
5. Wells currently producing on the acreage of the proposed qualified subdivision are within the proposed operation sites.
6. The 50.334-acre tract has been subdivided in a manner authorized by law by the surface owners for residential, commercial or industrial use.
7. There has been extensive development of the minerals within the 2.5 miles surrounding the proposed qualified subdivision.
  - a. Known Railroad Commission designated fields within the 2.5-mile radius of review include:
    - Hunter (Congl.) Field
    - Hunter Creek (Conglomerate) Field
    - M & V (Conglomerate) Field
    - Newark, East (Atoka 1) Field
    - Newark, East (Barnett Shale) Field
    - Newark, East (Bend Conglomerate) Field
  - b. Ligon Interests identified 188 wells with permits issued by the Commission within 2.5 miles of the proposed qualified subdivision.
8. The two operation sites on the legible plat approved by the Town of Northlake, Texas presented at the hearing and attached as Exhibit A showing the 50.334-acre tract, road easements and pipeline easements provide sufficient area for any potential future drilling and production related to the development of the mineral interest underlying the proposed qualified subdivision.
9. A hearing was held on this matter on October 26, 2017 at which “Ligon Interests” as Applicant and Aethon United BR LP and Aethon Energy Operating LLC (collectively, “Aethon”) appeared as possessory mineral interest owners and agreed to the proposed operation sites, road easements and pipeline easements presented by Ligon Interests at the hearing as indicated on the attached subdivision plat, Exhibit A. No other persons sought to intervene as parties to this proceeding.
10. Ligon Interests and Aethon have agreed that, as to the operation site identified as Lot 2, once all wells on such site are properly plugged by the operator, the operator and other possessory mineral interest owners will have no further right to use such operation site and the surface owner(s) of the operation site (or its successors) are authorized to file a memorandum in the real property records documenting the permanent release of such operation site.

**CONCLUSIONS OF LAW**

1. The application for the proposed qualified subdivision was properly filed with the Railroad Commission pursuant to its jurisdictional authority.
2. Proper and adequate notice was given by the Railroad Commission directly and by publication to persons legally entitled to such notice.
3. All things have been done or have occurred to give the Railroad Commission jurisdiction to decide the matter.
4. The application complies with the requirements of Statewide Rule 76, 16 TEX. ADMIN. CODE § 3.76, and TEX. NAT. RES. CODE §§ 92.001 – 92.004.
5. Approval of this application will provide for full and effective development of the minerals underlying the subject property as well as allow for the fullest and most efficient use of the surface estate as provided in Exhibit A and waives use of the remainder of the subject 50.334-acre tract (other than the designated operations sites, road easements and pipeline easements identified on Exhibit A) by possessory mineral interest owners as provided in TEX. NAT. RES. CODE § 92.005(a).

The Commission, after review and due consideration of the Agreed Final Order of the parties in this proceeding and the above-referenced findings of fact and conclusions of law, **ORDERS** that the application of Jacqueline S. Ligon, Lane E. Ligon, Irene J. Ligon Newsom and Elane A. Ligon a/k/a Elane A. McGowan, as revised at the hearing, to consider approval of a qualified subdivision pursuant to Statewide Rule 76, for a 50.337 acre tract, Denton County, Texas, as identified on the subdivision plat and surveyor's plat attached as Exhibit A to this Agreed Final Order and described in the metes and bounds descriptions of the subdivision's operation sites and easements located within the A.M. Fettus Survey, Abstract No. 1591 and M.E.P.&P. Ry. Co. Survey, Abstract No. 913, Denton County, Texas is hereby **APPROVED**.

Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and by agreement of the Parties in writing or on the record, **the parties have waived right to file a Motion for Rehearing and this Final Order is effective on the date the Master Order relating to the Final Order is signed.**

All pending motions and requests for relief not previously granted or granted herein are denied.

Done this 5<sup>th</sup> day of December 2017.

**RAILROAD COMMISSION OF TEXAS**

(Order approved and signatures affixed by Hearings Divisions' Unprotested Master Order dated December 5, 2017)

