RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
HEARINGS SECTION

OIL AND GAS DOCKET NO. 04-0241769

COMMISSION CALLED HEARING TO SUPERCEDE THE FINAL ORDERS ISSUED MARCH 23, 2004 IN OIL & GAS DOCKET NOS. 04-0233184 AND 04-0232636 REQUIRING, RESPECTIVELY, PLUGGING OF WELL NO. 1, ADAMI MARTINEZ (130338) LEASE, NEELY (BRUNI 1900) FIELD, DUVAL COUNTY AND WELL NO. 1, PEREZ-ROWDEN (11711) LEASE, NEW MALO SUENO (CROCKETT) FIELD, WEBB COUNTY AND WELL NO. 1, ELVA L. DINN (08334) LEASE, SANTO NINO, N.W. (QUEEN CITY) FIELD, WEBB COUNTY, TEXAS.

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FINAL ORDER

The Commission finds that after statutory notice the above-captioned proceeding was heard by the examiner on February 11, 2005 who circulated a Proposal for Decision containing Findings of Fact and Conclusions of Law. Having been duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, those Findings of Fact and Conclusions of Law are hereby adopted and made a part hereof by reference.

It is accordingly ORDERED that the provision in the Final Order entered in Oil & Gas Docket No. 04-0233184 on March 23, 2004 requiring plugging of Well No. 1 on the Adami Martinez (130338) Lease, Neely (Bruni 1900) Field, Duval County is hereby superceded. All other provisions of the Final Order shall remain in full force and effect.

It is also ORDERED that the provision in the Final Order entered in Oil & Gas Docket No. 04-0232636 on March 23, 2004 requiring plugging of Well No. 1 on the Elva L. Dinn (08334) Lease, N.W. Santo Nino (Queen City) Field, Webb County, is hereby superceded. All other provisions of the Final Order shall remain in full force and effect.

It is further ORDERED that the Form P-4 (Certificate of Compliance and Transportation Authority) filed by Wallis Energy, Inc. to change the operator of Well No. 1 on the Adami Martinez (130338) Lease, Neely (Bruni 1900) Field, Duval County, from Thomas Bruce Luttrell d/b/a T. Bruce Luttrell Oil & Gas Opr. to Wallis Energy, Inc. is APPROVED.

It is further ORDERED that the Form P-4 (Certificate of Compliance and Transportation Authority) filed by Wallis Energy, Inc. to change the operator of Well No. 1 on the Elva L. Dinn (08334) Lease, N.W. Santo Nino (Queen City) Field, Webb County, from Thomas Bruce Luttrell d/b/a T. Bruce Luttrell Oil & Gas Opr. to Wallis Energy, Inc. is APPROVED.
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 3 days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest within such 20-day period after the party’s presumed notice, this order shall not become final until such motion is overruled, or if rehearing 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 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.

Noncompliance with the provisions of this order is subject to enforcement by the Attorney General and subject to civil penalties of up to $10,000.00 per day per violation.

Done this 24th day of May, 2005, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated May 24, 2005)