

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

**OIL & GAS DOCKET NO. 09-0252373**

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**APPLICATION OF FINLEY RESOURCES, INC., FOR THE FORMATION OF A UNIT  
PURSUANT TO THE MINERAL INTEREST POOLING ACT FOR THE PROPOSED EAST  
SIDE UNIT, NEWARK, EAST (BARNETT SHALE) FIELD, TARRANT COUNTY, TEXAS**

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**FINAL ORDER**

The Commission finds that, after statutory notice in the above-numbered docket, heard on August 24, 2007, the examiners have made and filed a report and amended proposal for decision issued August 5, 2008, 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 amended proposal for decision issued August 5, 2008, 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 Finley Resources, Inc., for formation of a pooled unit pursuant to the Mineral Interest Pooling Act is hereby **GRANTED** to the extent, and subject to the terms and conditions, set forth in this order. All interests in tracts within the area described in Appendix 1 to this Final Order, including working interests, royalty interests, and unleased mineral interests, are pooled into the East Side Unit containing 96.32 acres out of the B. E. Waller Survey, A-1659, and the R. Cross Survey, A-304, Newark, East (Barnett Shale) Field, in Tarrant County, Texas. These interests are pooled into a proration unit for the drilling of a horizontal well in the Newark, East (Barnett Shale) Field at the location shown on Finley Resources, Inc., Exhibit No. 16 in this docket, which is attached as Appendix 2 to this order, subject to the following terms and conditions.

**TERMS AND CONDITIONS**

1. The name of the unit is the Finley Resources, Inc. East Side Unit.
2. The operator of the unit is Finley Resources, Inc.
3. The unit well is the well depicted on Appendix 2 to this order.

4. The unit shall be effective on the date this order becomes administratively final.
5. The unit is established for and limited to the depth interval correlative with the Newark, East (Barnett Shale) Field.
6. For the purpose of determining the portion of production owned by the persons owning interests in the pooled unit, the production be allocated to the respective tracts within the unit in the proportion that the number of surface acres included within each tract bears to the number of surface acres included in the entire unit.
7. The interests of lessors of tracts within the unit are pooled as royalty interests. The interests of Finley Resources, Inc., Chesapeake Exploration, LLC, Dale Resources, LLC, and Dale Property Services, LLC in tracts within the unit are pooled as working interests.
8. The owners are all unleased tracts within the unit are pooled as owners of a 1/5th royalty and 4/5ths working interest, proportionately reduced. These owners share of expenses, subject to a zero risk penalty, are payable only from 4/5ths of production rather than from their entire mineral interest.
9. The unit operator shall make no surface use of the unleased tracts within the unit without the written consent of the unleased owner.
10. Finley Resources, Inc., shall make a diligent effort to determine current addresses for all interest owners in the unit. Except as herein provided, payment of the appropriate pro rata share of the proceeds of production of the unit well shall be made, according to the terms of this final order, to each such interest owner for whom a current address and good title has been determined. The pro rata share of proceeds of production for any interest owner for whom a current address cannot be determined, or who declines to execute a division order in the form prescribed by §91.402 of the Texas Natural Resources Code, shall be held in escrow for the benefit of such owners and be subject to disposition in the manner provided by law.
11. The working interest owners shall adopt a joint operating agreement substantially in the form of the AAPL Form Joint Operating Agreement, which shall not include any provision prohibited by the Mineral Interest Pooling Act or contravene any provision of this final order.

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 of 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.



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.

Done this 25th day of August, 2008, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

  
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COMMISSIONER VICTOR G. CARRILLO

  
\_\_\_\_\_  
COMMISSIONER ELIZABETH A. JONES

ATTEST:

  
\_\_\_\_\_  
SECRETARY



12559 C. R. 192  
TYLER, TEXAS 75703

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**EXHIBIT "B"**

**METES AND BOUNDS DESCRIPTION  
96.32 ACRES OF LAND  
SITUATED IN TARRANT COUNTY, TEXAS**

**BEING** 96.32 acres of land situated in the R. Cross Survey, Abstract 304, and in the B.E. Waller Survey, Abstract 1659 of Tarrant County, Texas, and being a portion of Riverside Addition, third filing, and being a portion of The Page Company's East Side Addition first and second filing, and being all of the KAB Air Addition, and also being all of the Kendall Addition, all being recorded in the Tarrant County Deed Records, said 96.32 acres to be more particularly described by metes and bounds as follows;

**BEGINNING** at the intersection of the centerline of Beach Street and the centerline of First Street ;

**THENCE** South 00°21' West, for a distance of 724.7 feet, with the centerline of the above mentioned Beach Street to a point of intersection with the centerline of Fourth Street;

**THENCE** South 89°56' West, for a distance of 270.2 feet, with the centerline of the above mentioned First Street, to a point of intersection with the centerline of Gross Street;

**THENCE** South 00°28' East, for a distance of 184.8 feet, with the centerline of the above mentioned Gross Street to a point;

**THENCE** North 89°04' East, for a distance of 131.5 feet, with the centerline of an existing 20 foot wide alley to a point at the end of said alley;

**THENCE** South 00°06' East, for a distance of 188.4 feet, to a point of intersection with the centerline of Galvez Avenue;

**THENCE** South 88°21' West, for a distance of 129.9 feet, with the centerline of the above mentioned Galvez Avenue to a point of intersection with the above mentioned Gross Street;

**THENCE** South 00°42' East, for a distance of 109.0 feet, with the centerline of the above mentioned Gross Street to a point;

**THENCE** South 89°54' East, for a distance of 129.8 feet, across Lots 1 and 2 of Block 16 of the above referenced Page Company's East Side Addition, Second Filing to a point in the east line of the above mentioned Lot 2;

**THENCE** South 00°27' East, for a distance of 159.1 feet, with the east line of the above mentioned Lot 2, and with the east line of Lot 14 of Block 16 of said Page Company's East Side Addition, Second Filing to a point in east line of the above mentioned Lot 14;

**THENCE** North 89°50' West, for a distance of 132.2 feet, to a point in the centerline of the above mentioned Gross Street;

**THENCE** South 00°25' West, for a distance of 285.6 feet, with the centerline of said Gross Street to a point;

**THENCE** South 89°58' West, for a distance of 1832.2 feet, with the centerline of a 20 foot alley, to a point in the centerline of Denair Avenue;

**THENCE** North 00°32' West, for a distance of 176.3 feet, with the centerline of the above mentioned Denair Avenue, to a point of intersection with the centerline of Lawnwood Street;

**THENCE** South 89°51' West, for a distance of 435.5 feet, with the centerline of the above mentioned Lawnwood Street to a point;

**THENCE** North 00°03' East, for a distance of 170.0 feet, with the west line of Lot 21 of Block 42 of the above referenced Riverside Addition, Third Filing, to the northwest corner of said Lot 21, and being in the south line of a 20 foot alley;

**THENCE** South 89°51' West, for a distance of 50.0 feet, with the south line of alley to a point;

**THENCE** North 00°03' East, for a distance of 200.0 feet, with the west line of Lot 6 of Block 42 of the above mentioned Riverside Addition, Third Filing, to a point in the centerline of the above mentioned Galvez Avenue;

**THENCE** South 89°51' West, for a distance of 273.0 feet, with the centerline of the above mentioned Galvez Avenue, to a point of intersection with Covello Avenue;

**THENCE** North 00°15' West, for a distance of 913.9 feet, with the centerline of the above mentioned Covello Avenue to a point;

**THENCE** South 89°44' East, for a distance of 285.7 feet, with the centerline of a 20 foot alley, to a point;



**THENCE** North 00°16' East, for a distance of 51.8 feet, with the west line of Lot 5A of Block 11 of the above mentioned Riverside Addition, Third Filing, to the northwest corner of said Lot 5A;

**THENCE** North 67°34' East, for a distance of 162.6 feet, with the north line of the above mentioned Lot 5A, and with the north line of Lots 6A and 7A of Block 11 of the above mentioned Riverside Addition, Third Filing, to the northeast corner of said Lot 7A, and being in the West line of Lot 8 of Block 11 in said Riverside Addition, Third Filing;

**THENCE** North 00°16' East, for a distance of 66.6 feet, with the west line of the above mentioned Lot 8, to a point in the centerline of First street;

**THENCE** North 89°36' East, for a distance of 2432.7 feet, back to the place of beginning containing 96.32 Acres, more or less.





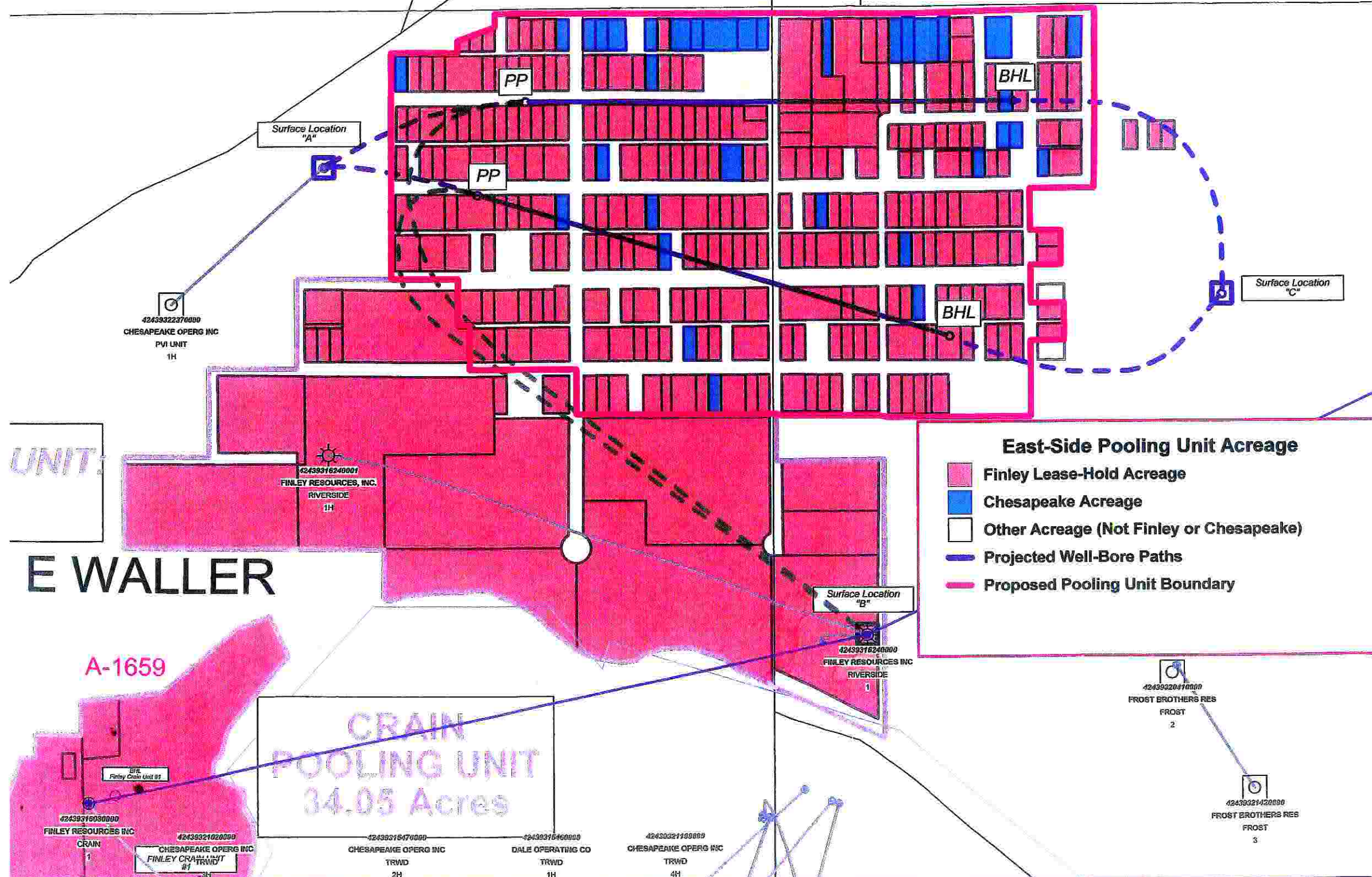
# PROPOSED EASTSIDE POOLING UNIT: +/- 99 Acres

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A-1687

FINLEY RESOURCES, INC.  
Case No. 09-0252373  
August 24, 2007  
Exhibit No. No. 16

Final Order  
Appendix 2



**Finley Resources, Inc**

Barnett Shale -

Proposed East-Side Unit With Unit  
Boundaries, & Proposed Potential  
Well Paths, Tarrant Co., Texas