RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL HEARINGS SECTION

OIL AND GAS DOCKET NO. 10-0273414

IN THE PANHANDLE, WEST (RED CAVE) FIELD, POTTER COUNTY, TEXAS

FINAL ORDER APPROVING THE APPLICATION OF PIONEER NATURAL RES. USA, INC. FOR CANCELLATION OF OVERPRODUCTION FOR VARIOUS WELLS IN THE PANHANDLE, WEST (RED CAVE) FIELD POTTER COUNTY, TEXAS

The Commission finds that after statutory notice in the above-number docket heard on January 11, 2012, the presiding examiner has made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; 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 examiner's report and recommendation, the findings of fact and conclusions of law contained therein, 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 accumulated overproduction in the Panhandle, West (Red Cave) Field for the following wells: Bivins Well No. 86R (085403); Crawford Well No. 5R (046069), Masterson Well No. 10R (034745), Masterson Well No. 32R (046070), Masterson Well No. 43R (050733) and Masterson Well No. 76R (058316), is hereby cancelled effective as of the first day of the month following the issuance of this Final Order, and a Commission adjustment to the monthly reservoir market demand equal to the total allowable supplement authorized by this Final Order shall be made to offset the impact on the total reservoir market demand.

Effective this 7^{th} day of February, 2012.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated February 7, 2012)