

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

**OIL AND GAS DOCKET
NO. 08-0268740**

**IN THE SPRABERRY (TREND AREA
FIELD) ECTOR COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF RELIANCE ENERGY, INC.
FOR RULE 10 EXCEPTION
FOR VARIOUS RATLIFF LEASES
SPRABERRY (TREND AREA) AND OTHER FIELDS
ECTOR COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered dockets heard on January 26, 2011, the presiding examiner has made and filed reports and recommendations containing findings of fact and conclusions of law, for which service was not required; that the proposed applications are in compliance with all statutory requirements; and that these proceedings were 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 reports and recommendations, 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 application of Reliance Energy, Inc. for exception to Statewide Rule 10 for the following leases:

Ratliff A	Ratliff F
Ratliff B	Ratliff G
Ratliff C	Ratliff H
Ratliff D	Ratliff I
Ratliff E	Ratliff J

The Rule 10 exceptions are approved for the leases for the Spraberry (Trend Area), Headlee, N. (Strawn) and Circle Bar, East (Atoka) Fields. Downhole commingling shall be allowed for any other unnamed field found in the correlative interval from 7,290 feet to 11,928 feet as shown on the log of the Sallie Ratliff Well No. 1 (API No. 42 135 08538). Such commingled production as is produced from wells on any of the above leases shall be assigned to the Spraberry (Trend Area) Field for proration purposes.

Further, acreage assigned to wells on any leases for allocation of allowable shall not be assigned to any other well or wells projected to or completed in any of the fields; such duplicate assignment of acreage is not acceptable, provided however, that this limitation shall not prevent the reformation of development or proration units so long as no duplicate

assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations.

The operator of any well downhole commingled in any combination of the subject fields shall file the appropriate completion forms and the attached Rule 10 exception data sheet. At the same time, the appropriate Commission required administrative Rule 10 exception downhole commingling fee.

For exceptions involving a Wildcat field, the operator must file a cross section containing the Rule 10 exception well and the Sallie Ratliff Well No. 1, to demonstrate that the Wildcat interval is within the correlative interval approved herein for Rule 10 exceptions.

Done this 18th day of April, 2011.

**RAILROAD COMMISSION OF TEXAS
(Order approved and signatures
affixed by OGC Unprotected Master
Order dated April 18, 2011.)**