RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

HEARINGS SECTION

OIL & GAS DOCKET NO. 03-0278293

APPLICATION OF JM TEXAS LAND FUND NO. 5, L.P. FOR APPROVAL OF A PROPOSED QUALIFIED SUBDIVISION PURSUANT TO STATEWIDE RULE 76 FOR A 69.534 ACRE TRACT IN SECTION 8, G.K. SCHLEY SURVEY, A-391, FORT BEND COUNTY, TEXAS.

FINAL ORDER

The Commission finds that after statutory notice the captioned proceeding was heard by the examiners on October 31, 2012. 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 days notice was given to the applicant and owners of possessory mineral interests and mineral lessors in the proposed qualified subdivision. Notice of Hearing was published in the Fort Bend Herald, a newspaper of general circulation in Fort Bend County, for four consecutive weeks, on September 26, 2012, October 3, 2012, October 10, 2012 and October 17, 2012.
- 2. JM Texas Land Fund No. 5 (hereinafter "JM Texas") own all of the surface acreage in the proposed qualified subdivision and thus all of the surface ownership in the proposed qualified subdivision is represented in this hearing.
- 3. The proposed qualified subdivision is located in Fort Bend County, a county having a population in excess of 140,000 (585,375 per 2010 US census) adjacent to Harris County, which has a population in excess of 400,000.
- 4. The proposed qualified subdivision is being subdivided in a manner authorized by law by the surface owner for residential use, pursuant to ordinances relating to zoning, platting, and subdivisions.
- 5. The proposed qualified subdivision contains 69.534 acres in Section 8, G.K. Schley Survey, A-391, including one operations site totaling 2.26 acres. The operations site has access to a proposed road. The operations site may be used by possessory mineral interest owners to explore for and produce minerals. The operations site is located within the proposed

qualified subdivision and designated on the qualified subdivision plat which is attached as Exhibit I. Field notes for the 69.534 acre qualified subdivision are set forth in Exhibit II. The plat of the proposed subdivision and the field notes for the subdivision were provided on the day of the hearing, October 31, 2012. Field notes for the operations site are set forth as Exhibit III and field notes for the operations site access are set forth as Exhibit IV. Field notes for the operations site and the operations site access were late-filed on February 4, 2013.

- 6. The proposed qualified subdivision plat contains provision for road and pipeline easements to allow use of the operations site within the proposed qualified subdivision.
- 7. In the 2.5 mile area of review around the proposed Qualified Subdivision, there has been mineral development in the Big Creek Field, the Hand (Vicksburg) Field and the Thompson Field [consisting of one well completed in the Thompson (M-8, Seg 2) Field which was later re-completed in the Thompson (Miocene 6, Seg 6) Field]. There has also been mineral development over the Big Creek salt dome, which is found on the far eastern edge of the 2.5 mile radius of review measured from the boundaries of the proposed qualified subdivision. Forty-eight wells were drilled in these reservoirs, most being dry holes. Only five wells remain in production today. The nearest producing well to the proposed qualified subdivision is approximately one and three eighths miles away to the ESE, the R. Nesvabda (23673) Lease, Well No. 1, operated by Pride Energy Company. JM Texas presented expert testimony that any field extensions that may be found to underlie the proposed Qualified Subdivision in the future can be reached by directional drilling from the proposed pad site. The operations site has road access and a pipeline easement as required by the rule.
- 8. The proposed operations site and pipeline and road easements are adequate to ensure that any mineral resources under the proposed qualified subdivision may be fully and effectively exploited.
- 9. Applicants have waived the issuance of an examiner's proposal for decision in this docket.
- 10. All parties have agreed on the record that, pursuant to the provisions of Texas Government Code §2001.144(a)(4), this Final Order shall be effective on the date a Master Order relating to this Final Order is signed.

CONCLUSIONS OF LAW

- 1. Proper notice of hearing was timely issued to appropriate persons entitled to notice.
- 2. All things necessary to the Commission attaining jurisdiction have occurred.

- 3. The application of JM Texas Land Fund No. 5, L.P. for Commission approval of their proposed qualified subdivision meets the requirements of Texas Natural Resources Code, Chapter 92, and Statewide Rule 76 [16 Tex. Admin. Code §3.76].
- 4. Pursuant to §2001.144(a)(4) of the Texas Government Code, and the consent of the applicants, this Final Order is effective when a Master Order relating to this Final Order is signed on February 26, 2013.

IT IS THEREFORE ORDERED that the application of JM Texas Land Fund No. 5, L.P. for approval of a qualified subdivision containing 69.534 acres of land in Section 8, G.K. Schley Survey, A-391, in Fort Bend County, Texas, more particularly described by the metes and bounds descriptions in field notes and plats attached hereto and incorporated herein for all purposes, is hereby **APPROVED**.

It is further **ORDERED** that this Final Order is effective on February 26, 2013 when the Master Order relating to this Final Order is signed.

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

Done this 26th day of February, 2013, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated February 26, 2013)

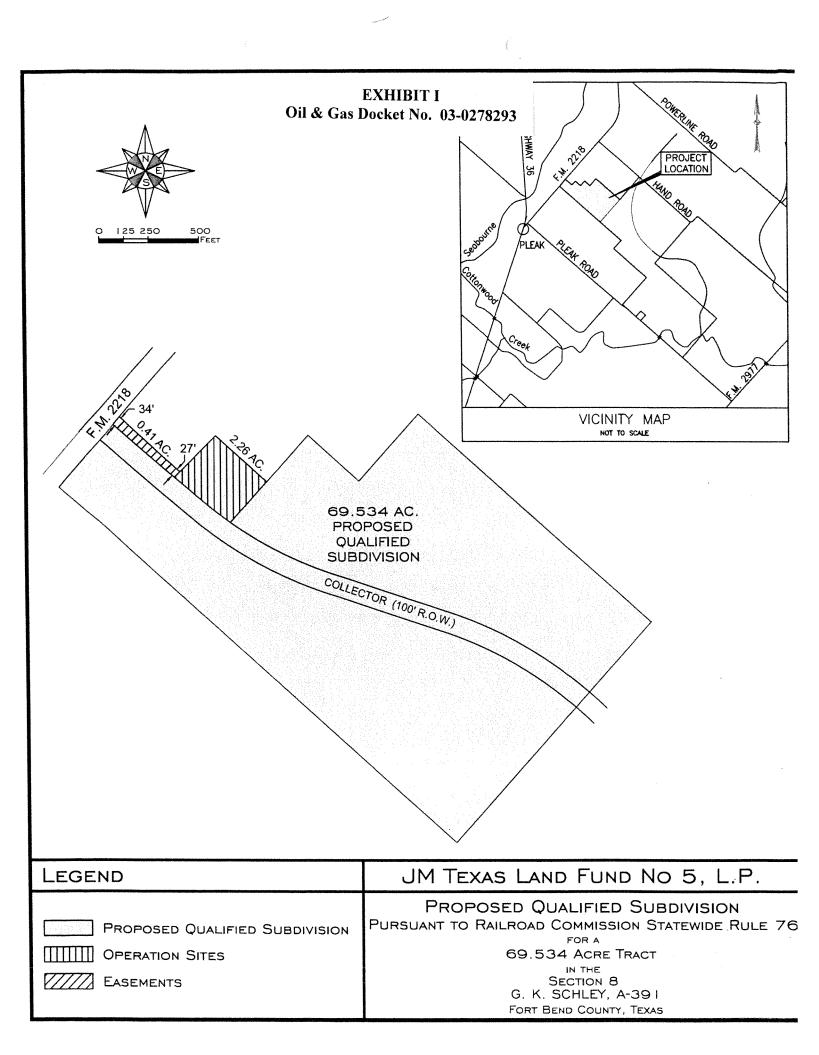


EXHIBIT II Oil & Gas Docket No. 03-0278293

CHARLIE KALKOMEY SURVEYING, INC.

1815 MONS AVENUE ROSENBERG, TEXAS 77471 281 342-2033

CHARLIE KALKOMEY
REGISTERED PROFESSIONAL LAND SURVEYOR

CHARLES A. KALKOMEY
REGISTERED PROFESSIONAL LAND SURVEYOR

FIELD NOTES FOR A 69.534 ACRE TRACT OF LAND IN THE GEORGE SCHLEY SURVEY, ABSTRACT 391, FORT BEND COUNTY, TEXAS, SAID 69.534 ACRE TRACT BEING COMPRISED OF THAT CERTAIN CALLED 69.244 ACRE TRACT (TRACT 1) AND THAT CERTAIN CALLED 0.28 ACRE TRACT (TRACT 2) DESCRIBED IN DEED RECORDED UNDER COUNTY CLERK'S FILE NUMBER 2003061099, OFFICIAL PUBLIC RECORDS, FORT BEND COUNTY, TEXAS, WITH ALL BEARINGS AND COORDINATES BEING GRID, TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NAD83(1993) BASED UPON GPS OBSERVATIONS OF FORT BEND COUNTY MONUMENT FB19.

COMMENCING at a PK nail with shiner set in the centerline of Hand Road (62.38 feet wide as occupied) for the north corner of an adjoining called 250 acre tract (surveyed as 249.883 acres by the undersigned this date) recorded in Volume 1906, Page 116, et seq., Volume 1911, Page 919, et seq., Volume 2016, Page 152, et seq., Volume 2099, Page 567, et seq., Volume 2267, Page 544 and Page 546, all of the Official Records, Fort Bend County, Texas, said point also being in the southwest line of a called 80.183 acre tract described in deed recorded in Volume 462, Page 102, Deed Records, Fort Bend County, Texas, and having coordinates of X=2,989,588.32 feet, Y=13,741,358.87 feet;

THENCE South 41 degrees 50 minutes 19 seconds West (adjoiner called South 45 degrees West) along the northwest line of said adjoining called 250 acre tract, same being the southeast line of the adjoining Huisache Acres Subdivision (unrecorded), at 32.38 feet pass a ½ inch iron pipe with cap marked "Kalkomey Surveying" set on said line at its intersection with the southwest right-of-way line of Hand Road, and continuing for a total distance of 1,465.08 feet to a ½ inch iron pipe with cap marked "Kalkomey Surveying" set on said line for the east corner and Place of Beginning of the herein described 69.534 acre tract of land, said point also being the east corner of said called 69.244 acre tract (Tract 1), same being the south corner of the adjoining Lot 9, Section 1, Huisache Acres Subdivision, being a called 1.2026 acre tract recorded in Volume 2304, Page 2198, Official Records, Fort Bend County, Texas, from which point a found ¾ inch iron rod bears North 48 degrees 01 minute 48 seconds West, 0.39 feet;

THENCE South 41 degrees 50 minutes 19 seconds West (called South 44 degrees 52 minutes 40 seconds West) along the southeast line of the herein described tract and the southeast line of said called 69.244 acre tract (Tract 1), same being the northwest line of said adjoining called 250 acre tract, 1,461.65 feet (called 1,461.5 feet) to a ½ inch iron rod found for the south corner of the herein described tract and the south corner of said called 69.244 acre tract (Tract 1), same being the upper west corner of said adjoining called 250 acre tract, and being in the northeast line of an adjoining called 49.106 acre tract (Tract One) described in deed recorded under County Clerk's File Number 2002059824, Official Public Records, Fort Bend County, Texas, said point also being in the common line of said George Schley Survey, Abstract 391, and the adjoining C. B. Stewart Survey, Abstract 90;

THENCE South 48 degrees 16 minutes 55 seconds East (called South 45 degrees 13 minutes 04 seconds East) along the common line of the herein described tract and said adjoining called 0.090 acre tract, and along the southwest line of an adjoining called 0.651 acre tract (Tract IV) recorded under County Clerk's File Number 2004156314, Official Public Records, Fort Bend County, Texas, described as Tract II in County Clerk's File Number 2002062801, Official Public Records, Fort Bend County, Texas, 340.54 feet (called 340.57 feet) to a ½ inch iron rod found for a reentry corner to the herein described tract, same being the south corner of said adjoining called 0.651 acre tract;

THENCE North 41 degrees 54 minutes 43 seconds East (called North 45 degrees East) along the common line of the herein described tract and said adjoining called 0.651 acre tract, 310.01 feet (called 310.01 feet) to a ½ inch iron rod found for corner, said point being the east corner of said adjoining called 0.651 acre tract, and being in the southwest line of an adjoining called 1.215 acre tract (Exhibit "B") described in deed recorded under County Clerk's File Number 1999085012, Official Public Records, Fort Bend County, Texas;

THENCE South 48 degrees 00 minutes 26 seconds East (called South 44 degrees 56 minutes 30 seconds East) along the common line of the herein described tract and said adjoining called 1.215 acre tract, 340.64 feet (called 340.85 feet) to a ½ inch iron pipe found for a reentry corner to the herein described tract, same being the south corner of said adjoining called 1.215 acre tract;

THENCE North 41 degrees 55 minutes 50 seconds East (called North 44 degrees 58 minutes 27 seconds East) continuing along said common line, and along the southeast line of an adjoining called 8.27 acre tract (Exhibit "A") described in deed recorded under County Clerk's File Number 1999085012, Official Public Records, Fort Bend County, Texas, 445.86 feet (called 445.96 feet) to a ½ inch iron rod found for the most easterly north corner of the herein described tract and the most easterly north corner of said called 69.244 acre tract (Tract 1), same being the east corner of said adjoining called 8.27 acre tract, and being in the southwest line of the adjoining Lot 45, Section 3, Huisache Acres Subdivision (unrecorded), being a called 1.1892 acre tract described in deed recorded under County Clerk's File Number 2003027902, Official Public Records, Fort Bend County, Texas;

EXHIBIT III Oil & Gas Docket No. 03-0278293

LEGAL DESCRIPTION
2.2619 ACRE DRILL SITE

BEING A TRACT OR PARCEL CONTAINING 2.2619 ACRES OF LAND FOR DESIGNATED BRID SIFE PURPOSES LOCATED IN THE GEORGE SCHLEY SURVEY, ABSTRACT NO. 391 IN FORT BENDE GUNTY TEXAS, BEING OUT OF AND A PART OF A CALLED 69.244 ACRE TRACT DESCRIBED IN COUNTY, TEXAS, FILE NO. 2003061099 (TRACT 1) OF THE OFFICIAL PUBLIC RECORDS OF FORT BEND COUNTY, TEXAS, SAID 2.2619 ACRE EASEMENT TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS TO FOLLOWS, BEARING BASIS IS SAID CALLED 69.244 ACRE TRACT DESCRIBED IN COUNTY CLERKS FILE NO. 2003061099 (TRACT 1) OF THE OFFICIAL PUBLIC RECORDS OF FORT BEND COUNTY, TEXAS:

COMMENCING AT A ½ INCH IRON ROD FOUND IN THE SOUTHEAST LINE OF F. M. HIGHWAY 2218 (100 FOOT RIGHT OF WAY), BEING THE WEST CORNER OF SAID CALLED 69.244 ACRE TRACT DESCRIBED IN COUNTY CLERKS FILE NO. 2003061099 (TRACT 1) OF THE OFFICIAL PUBLIC RECORDS OF FORT BEND COUNTY, TEXAS;

THENCE NORTH 40 DEGREES 02 MINUTES 49 SECONDS EAST, ALONG THE SOUTHEAST LINE OF SAID F. M. HIGHWAY 2218 A DISTANCE OF 264.00 FEET TO A ½ INCH IRON ROD FOUND AT THE BEGINNING OF A TANGENT CURVE TO THE RIGHT;

THENCE IN A NORTHEASTERLY DIRECTION, CONTINUING ALONG THE SOUTHEAST LINE OF SAID F. M. HIGHWAY 2218, WITH SAID CURVE TO THE RIGHT HAVING A RADIUS OF 11, 409 FEET, AN INTERIOR ANGLE OF 00 DEGREES 41 MINUTES 54 SECONDS, A LENGTH OF 139.07 FEET, AND A CHORD BEARING NORTH 40 DEGREES 22 MINUTES 43 SECONDS EAST, 139.07 FEET TO A 5/8 INCH CAPPED IRON ROD SET FOR THE WEST CORNER OF A CALLED 0.4139 ACRE ACCESS EASEMENT:

THENCE SOUTH 49 DEGREES 47 MINUTES 01 SECONDS EAST, ALONG THE SOUTHWEST LINE OF SAID ACCESS EASEMENT TRACT A DISTANCE OF 404.09 FEET TO THE WEST CORNER OF THE HEREIN DESCRIBED 2.2619 ACRE TRACT AND THE POINT OF BEGINNING:

THENCE NORTH 44 DEGREES 48 MINUTES 42 SECONDS EAST, A DISTANCE OF 289.30 FEET TO A 5/8 INCH CAPPED IRON ROD FOUND FOR THE NORTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 48 DEGREES16 MINUTES 55 SECONDS EAST, A DISTANCE OF 340.54 FEET TO A ½ INCHIRON ROD FOUND FOR AN INTERIOR CORNER OF SAID 69.244 ACRE TRACT AND THE EAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 41 DEGREES 54 MINUTES 43 SECONDS WEST, A DISTANCE OF 273.44 FEET TO A 5/8 INCH IRON ROD SET FOR THE SOUTH CORNER OF THE HEREIN DESCRIBED TRACT:

THENCE NORTH 49 DEGREES 47 MINUTES 01 SECONDS WEST, A DISTANCE OF 404.09 FEET TO THE POINT OF BEGINNING AND CONTAINING 2.2619 ACRES OF LAND, MORE OR LESS.



EXHIBIT IV Oil & Gas Docket No. 03-0278293

LEGAL DESCRIPTION ACCESS EASEMENT

BEING A TRACT OR PARCEL CONTAINING 0.4139 ACRES OF LAND FOR EASEMENT PURPOSES TOCATED IN THE GEORGE SCHLEY SURVEY, ABSTRACT NO. 391 IN FORT BEND COUNTY, TEXAS, BEING ALL OF A CALLED 0.28 ACRE TRACT DESCRIBED IN COUNTY CLERKS FILE NO. 2003061099 (TRACT 2) OF THE OFFICIAL PUBLIC RECORDS OF FORT BEND COUNTY, TEXAS, AND BEING OUT OF AND A PART OF A CALLED 69.244 ACRE TRACT DESCRIBED IN COUNTY CLERKS FILE NO. 2003061099 (TRACT 1) OF THE OFFICIAL PUBLIC RECORDS OF FORT BEND COUNTY, TEXAS, SAID 0.4139 ACRE EASEMENT TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, BEARING BASIS IS SAID CALLED 69.244 ACRE TRACT DESCRIBED IN COUNTY CLERKS FILE NO. 2003061099 (TRACT 1) OF THE OFFICIAL PUBLIC RECORDS OF FORT BEND COUNTY, TEXAS:

COMMENCING AT A ½ INCH IRON ROD FOUND IN THE SOUTHEAST LINE OF F. M. HIGHWAY 2218 (100 FOOT RIGHT OF WAY), BEING THE WEST CORNER OF SAID CALLED 69.244 ACRE TRACT DESCRIBED IN COUNTY CLERKS FILE NO. 2003061099 (TRACT 1) OF THE OFFICIAL PUBLIC RECORDS OF FORT BEND COUNTY, TEXAS;

THENCE NORTH 40 DEGREES 02 MINUTES 49 SECONDS EAST, ALONG THE SOUTHEAST LINE OF SAID F. M. HIGHWAY 2218 A DISTANCE OF 264.00 FEET TO A ½ INCH IRON ROD FOUND AT THE BEGINNING OF A TANGENT CURVE TO THE RIGHT:

THENCE IN A NORTHEASTERLY DIRECTION, CONTINUING ALONG THE SOUTHEAST LINE OF SAID F. M. HIGHWAY 2218, WITH SAID CURVE TO THE RIGHT HAVING A RADIUS OF 11,409 FEET, AN INTERIOR ANGLE OF 00 DEGREES 41 MINUTES 54 SECONDS, A LENGTH OF 139.07 FEET, AND A CHORD BEARING NORTH 40 DEGREES 22 MINUTES 43 SECONDS EAST, 139.07 FEET TO A 5/8 INCH CAPPED IRON ROD SET FOR THE WEST CORNER OF THE HEREIN DESCRIBED EASEMENT TRACT AND THE POINT OF BEGINNING;

THENCE IN A NORTHEASTERLY DIRECTION, CONTINUING ALONG THE SOUTHEAST LINE OF SAID F. M. HIGHWAY 2218, WITH SAID CURVE TO THE RIGHT HAVING A RADIUS OF 11,409 FEET, AN INTERIOR ANGLE OF 00 DEGREES 15 MINUTES 15 SECONDS, A LENGTH OF 50.60 FEET, AND A CHORD BEARING NORTH 40 DEGREES 51 MINUTES 17 SECONDS EAST, 50.60 FEET TO A 5/8 INCH CAPPED IRON ROD FOUND FOR THE NORTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 48 DEGREES 03 MINUTES 09 SECONDS EAST, A DISTANCE OF 406.79 FEET TO A 5/8 INCH IRON ROD FOUND FOR INTERIOR CORNER OF SAID 69.244 ACRES:

THENCE SOUTH 44 DEGREES 48 MINUTES 42 SECONDS WEST, A DISTANCE OF 38.43 FEET TO A 5/8 INCH CAPPED IRON ROD SET FOR THE SOUTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 49 DEGREES 47 MINUTES 01 SECONDS WEST, A DISTANCE OF 404.09 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.4139 ACRES (18,030 SQUARE FEET) OF LAND, MORE OR LESS.

