

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

**OIL AND GAS DOCKET
NO. 04-0253178**

**IN THE SUN, NORTH (6250) FIELD,
STARR COUNTY, TEXAS**

**FINAL ORDER
APPROVING INCREASED NET GAS-OIL RATIO AUTHORITY
FOR THE N. R. MONTALVO WELL NO. 16
SUN, NORTH (6250) FIELD
STARR COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on October 10, 2007, 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 Kerr-McGee Oil & Gas Onshore LP is hereby granted permission to produce the N. R. Montalvo Well No. 16 (13431) in the Sun, North (6250) Field, Starr County, Texas, under increased net gas-oil ratio authority with a casinghead gas limit of 450 MCFD. It is further ordered the subject well's oil allowable shall not be penalized unless the above permitted casinghead gas limit is exceeded. It is further ordered that all accumulated overproduction for this lease is canceled.

Done this 6th day of November, 2007.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed
by OGC Unprotected Master Order
dated November 6, 2007)**