RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 7C-0247736 IN THE FORT MCKAVITT (LIME 4150) FIELD, SCHLEICHER COUNTY, TEXAS

FINAL ORDER
APPROVING THE APPLICATION OF
TELESIS OPERATING CO., INC. FOR
INCREASED GAS/OIL RATIO AUTHORITY
FOR ITS MCGREGOR -3- LEASE WELL NO. 1
FORT MCKAVITT (LIME 4150) FIELD
SCHLEICHER COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on July 28, 2006, 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, 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 Telesis Operating Co., Inc. be and is hereby granted permission to produce its McGregor -3- Lease Well No. 1, in the Fort McKavitt (Lime 4150) Field, Schleicher County, Texas, under increased gas-oil ratio authority with a daily gas limit of 400 MCF, without restricting the oil allowable below 93 BOPD.

It is further **ORDERED** that all overproduction for the Telesis Operating Co., Inc. McGregor -3- Lease, McGregor -3- Lease, in the Fort McKavitt (Lime 4150) Field, be and is hereby canceled as of the date of the Final Order.

Done this twenty-second day of August, 2006.

RAILROAD COMMISSION OF TEXAS (Order approved and signatures affixed by OGC Unprotested Master Order dated August 22, 2006.)