

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

**OIL AND GAS DOCKET
NO. 03-0255102**

**IN THE UMBRELLA POINT (VX
GYRO K) FIELD, CHAMBERS
COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF NATIONAL OFFSHORE LP
FOR NEW FIELD DESIGNATION AND FIELD RULES
FOR THE UMBRELLA POINT (VX GYRO K) FIELD
CHAMBERS COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on February 8, 2008, 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 application of National Offshore LP for new field designation for its State Tract 72 Well No. 1 is hereby approved. The new field shall be known as the Umbrella Point (Vx Gyro K) Field, ID No. 92388 975, Chambers County, Texas.

RULE 1: The entire correlative interval from 12,377 feet to 12,569 feet as shown on the Schlumberger Computer Processed log of the National Offshore LP's, State Tract 72, Well No. 1 (API 42-071-32331), Galveston Bay ST TR 72 Survey, Chambers County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Umbrella Point (Vx Gyro K) Field.

RULE 2: The maximum daily oil allowable for each well in the subject field shall be the discovery allowable of 1,100 barrels of oil per day until expiration of this discovery allowable. At that time, the 1965 yardstick allowable shall be effective. The actual allowable for an individual well shall be determined by the sum total of the two following values:

- a. Each well shall be assigned an allowable equal to its potential based on the most recent well test filed with the Commission multiplied by 95%, provided that this value shall not exceed the maximum daily allowable multiplied by 95%.

- b. Each well shall be assigned an allowable equal to 5% of the maximum daily oil allowable above.

Done this 26th day of February, 2008.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
OGC Unprotected Master Order dated
February 26, 2008)**