RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 8A-0264842 IN THE STARK RANCH (SPRABERRY-WOLFCAMP) FIELD, GAINES COUNTY, TEXAS

FINAL ORDER APPROVING THE APPLICATION OF BURLESON PETROLEUM, INC. FOR NEW FIELD DESIGNATION AND FIELD RULES FOR THE STARK RANCH (SPRABERRY-WOLFCAMP) FIELD GAINES COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on April 26, 2010, 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 Burleson Petroleum, Inc. for new field designation for its Fogerson No. 1 (API No. 165 35748) is hereby approved. The new field shall be known as the Stark Ranch (Spraberry-Wolfcamp) Field, ID No. 85658 500, Gaines County, Texas.

It is further ordered that the following field rules shall be adopted for the Stark Ranch (Spraberry-Wolfcamp) Field, Gaines County, Texas:

- **RULE 1:** The entire correlative interval from 8,226 feet to 11,300 feet as shown on the log of the Fogerson Well No. 1, API No. 165-35748, Lab. 3, Sec.312, Gaines County School Land Survey, A-1059, Gaines County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Stark Ranch (Spraberry-Wolfcamp) Field.
- **RULE 2:** The maximum daily oil allowable for each well in the subject field shall be the discovery allowable of 670 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 18th day of May, 2010.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated May 18, 2010)