RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 08-0256943 IN THE T.C.I., WEST (SEVEN RIVERS) FIELD, PECOS COUNTY, TEXAS

FINAL ORDER
APPROVING THE APPLICATION OF IMPERIAL GAS RESOURCES, LLC
FOR EXCEPTION TO STATEWIDE RULE 11
FOR ITS TESTA LEASE WELL NO. 5R
T.C.I., WEST (SEVEN RIVERS) FIELD
PECOS COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on May 29, 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 Imperial Gas Resources, LLC is hereby granted exception to Statewide Rule 11 for its Testa Lease Well No. 5R in the T.C.I., West (Seven Rivers) Field, Pecos County. Imperial Gas Resources, LLC is not required to file an inclination survey for the wellbore. The well may be assigned an allowable, assuming all other required completion papers have been properly filed. An inclination survey must be performed if the well is ever deepened.

It is further ordered that all overproduction for the subject lease is hereby canceled.

Done this 24th day of June, 2008.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated June 24, 2008)