RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 04-0265188 IN THE TAFT, DEEP (C-2 SD, 6000) FIELD, SAN PATRICIO COUNTY, TEXAS

FINAL ORDER ESTABLISHING THE MOST EFFICIENT RATE OF PRODUCTION FOR THE SIMS-DREES UNIT WELL NO. 1 TAFT, DEEP (C-2 SD, 6000) FIELD SAN PATRICIO COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on May 11, 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 most efficient rate of production at the current time for the Sandalwood Exploration, L.P. - Sims-Drees Unit Lease (13602) Well No. 1 in the Taft, Deep (C-2 SD, 6000) Field, San Patricio County, Texas is established at 130 BOPD. It is further ordered that all overproduction for the subject lease is hereby canceled.

Done this 19th day of July, 2010.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated July 19, 2010)