

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

**OIL AND GAS DOCKET
NO. 08-0249631**

**IN THE SARA-MAG (CANYON REEF)
FIELD, HOWARD COUNTY, TEXAS**

**FINAL ORDER
ESTABLISHING THE MOST EFFICIENT RATE OF PRODUCTION
FOR THE BLIZZARD NO. 1 WELL
SARA-MAG (CANYON REEF) FIELD
HOWARD COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on December 20, 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, 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 Midland Oil and Gas, Inc. - Blizzard No. 1 (37746) is 170 BOPD. It is further ordered that all overproduction for the subject lease in the Sara-Mag (Canyon Reef) Field is hereby canceled.

Done this 10th day of January, 2007.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed
by OGC Unprotected Master Order
dated January 10, 2007)**