RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 08-0262656 IN THE EMBAR (DEVONIAN) FIELD, ANDREWS AND ECTOR COUNTIES, TEXAS

FINAL ORDER ESTABLISHING THE MOST EFFICIENT RATE OF PRODUCTION AND APPROVING INCREASED NET GAS-OIL RATIO AUTHORITY FOR THE EMBAR (DEVONIAN) FIELD ANDREWS AND ECTOR COUNTIES, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on September 22, 2009, 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 each well in the Embar (Devonian) Field is 1,500 BOPD. It is further ordered by the Railroad Commission of Texas that operators are hereby granted permission to produce wells in the Embar (Devonian) Field, Andrews and Ector Counties, Texas, under increased net gas-oil ratio authority with a casinghead gas limit of 4,000 MCFD. It is further ordered the subject well's oil allowable shall not be penalized unless the above permitted casinghead gas limit is exceeded..

Done this 22nd day of October, 2009.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated October 22, 2009)