RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 02-0250154

FINAL ORDER CONSOLIDATING VARIOUS FIELDS INTO A NEW FIELD CALLED THE POWDER RIVER (CONSOLIDATED) FIELD AND ADOPTING FIELD RULES FOR THE POWDER RIVER (CONSOLIDATED) FIELD GOLIAD COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on February 2, 2007, 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 fields listed on Appendix A located in Goliad County, Texas, are hereby combined into a new field called the Powder River (Consolidated) Field (No. 72795 500):

It is further ordered that the following rules are adopted for the Powder River (Consolidated) Field:

- RULE 1: The entire correlative interval from ground surface to 3,182 feet, as shown on the log of the Robert C. Enke No. 1, API No. 175-00348, Solomon Griffin Survey, A-126, Goliad County, shall be designated as a single reservoir for proration purposes and be designated as the Powder River (Consolidated) Field.
- RULE 2: No well shall hereafter be drilled nearer than THREE HUNDRED THIRTY (330) feet to any property line, lease line or subdivision line. There is no between-well spacing limitation for wells in this field.
- RULE 3: The acreage assigned to an individual gas well for the purpose of allocating allowable gas production thereto, shall be known as a proration unit. The standard drilling and proration units are established hereby to be ONE HUNDRED SIXTY (160) acres. No proration unit shall consist of more than ONE HUNDRED SIXTY (160) acres; provided that,

tolerance acreage of ten (10) percent shall be allowed for each standard proration unit so that an amount not to exceed a maximum of ONE HUNDRED SEVENTY SIX (176) acres may be assigned. The two farthermost points in any proration unit shall not be in excess of FOUR THOUSAND FIVE HUNDRED (4,500) feet removed from each other. Each proration unit containing less than ONE HUNDRED SIXTY (160) acres shall be a fractional proration unit. All proration units shall consist of continuous and contiguous acreage which can reasonably be considered to be productive of gas. No double assignment of acreage will be accepted. For oil wells, the standard drilling unit shall remain 40 acres.

An operator, at his option, shall be permitted to form optional drilling units of TWENTY (20) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit. The two farthermost points of a TWENTY (20) acre fractional proration unit shall not be greater than ONE THOUSAND FIVE HUNDRED (1,500) feet removed from each other.

Operators shall file with the Commission certified plats of their properties in said field, which plats shall set out distinctly all of those things pertinent to the determination of the acreage credit claimed for each well; provided that if the acreage assigned to any proration unit has been pooled, the operator shall furnish the Commission with such proof as it may require as evidence that interests in and under such proration unit have been so pooled.

RULE 4: The daily allowable production of gas from individual wells completed in the subject field shall be determined by allocating the allowable production, after deductions have been made for wells which are incapable of producing their gas allowables, among the individual wells in the following manner:

FIVE percent (5%) of the field's total allowable shall be allocated equally among all the individual proratable wells producing from the field.

NINETY-FIVE percent (95%) of the field's total allowable shall be allocated among the individual wells in the proportion that the deliverability of such well, as evidenced by the most recent G-10 test filed with the Railroad Commission bears to the summation of the deliverability of all proratable wells producing from the field.

Done this 23rd day of February, 2007.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated February 23, 2007)

Attachment "A"

Field Name	Field Number
CKP (2300 MIOCENE)	14302500
CKP (2900)	14302600
ENKE (700)	29129800
ENKE (800)	29129810
ENKE (1650)	29129825
ENKE (MIOCENE 2100)	29129222
ENKE (2250)	29129840
ENKE (2550)	29129850
ENKE (2600)	29129888
ENKE (FRIO 2700)	29129111
ENKE (FRIO 2710)	29129892
ENKE (2940)	29129898
JACKSAND (VICKSBURG 2900)	45373500
KERLICK (FRIO)	49018300
MANAHUILLA SE. (FRIO 2600)	57045200
MARSHALL (FRIO I)	57719062
MARSHALL (2100)	57719744
MARSHALL (2510)	57719750
MARSHALL (2600)	57719806
MARSHALL (2620)	57719821
MARSHALL (FRIO II B)	57719124
MARSHALL (2700)	57719868
MARSHALL (MIOCENE 2800)	57719377
MARSHALL (2830)	57719874
MARSHALL (2840)	57719875
MARSHALL (FRIO 3000)	57719310
MARSHALL (FRIO VII)	57719186
MARSHALL, S. (FRIO 2640)	57728300
MARSHALL, S. (FRIO 3200)	57728333
MARSHALL, S.W. (MIOCENE 2310)	57732700
MARSHALL, S.W. (MIOCENE 2350)	57732720
POST OAK HOLLOW (FRIO 2600)	72599175
RANDY PICKETT (600)	74648500
WEESATCHE, SOUTH (700)	95850576
WEESATCHE, SOUTH (FRIO 1200)	95850110
WEESATCHE, SOUTH (2100)	95850736
WEESATCHE, SOUTH (2200)	95850800
WEESATCHE, SOUTH (FRIO 2600)	95850128
WEESATCHE, SOUTH (FRIO 2750)	95850160
WEESATCHE, SOUTH (FRIO 2800)	95850192

WEESATCHE, SOUTH (FRIO 2900)	95850224
WEESATCHE, SOUTH (FRIO 3000)	95850256
WEESATCHE, WEST (FRIO 2950)	95853164
WESER, SOUTH (2200)	96426125
WESER, SOUTH (2700)	96426250
WESER, SOUTH (2750)	96426375
WESER, SOUTH (2850)	96426500
WESER, SOUTH (2850 A)	96426625
WESER, SOUTH (2900)	96426750
WESER, SOUTH (2900 A)	96426875
WESER, SOUTH (2950)	96426900