RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 03-0250219 IN THE ROSENBERG, W. (LWR COOK MTN) FIELD, FORT BEND COUNTY, TEXAS

FINAL ORDER AMENDING FIELD RULES AND MAKING RULES PERMANENT IN THE ROSENBERG, W. (LWR COOK MTN) FIELD FORT BEND COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on March 1, 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 Rule 3 of the field rules adopted on September 7, 2005, in Docket No. 03-0243357, for the Rosenberg, W. (Lwr Cook Mtn) Field, Fort Bend County, Texas, is amended as hereafter set out:

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 EIGHTY (80) acres. No proration unit shall consist of more than EIGHTY (80) 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 EIGHTY EIGHT (88) acres may be assigned. The two farthermost points in any proration unit shall not be in excess of THREE THOUSAND TWO HUNDRED FIFTY (3,250) feet removed from each other. Each proration unit containing less than EIGHTY (80) 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.

An operator, at his option, shall be permitted to form optional drilling units of FORTY (40) acres. A proportional acreage allowable credit will be given for a well on a fractional proration unit. The two farthermost points of a FORTY (40) acre fractional proration unit shall not be greater than TWO THOUSAND ONE HUNDRED (2,100) 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.

It is further ordered by the Railroad Commission of Texas that the field rules adopted in Final Order No. 03-0243357, issued effective September 7, 2005, as amended, for the Rosenberg, W. (Lwr Cook Mtn) Field, Fort Bend County, Texas, are continued in effect as permanent rules.

Done this 29th day of March, 2007.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated March 29, 2007)