RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 03-0253235

IN THE HASTINGS, EAST FIELD, BRAZORIA COUNTY, TEXAS

FINAL ORDER AMENDING FIELD RULES FOR THE HASTINGS, EAST FIELD BRAZORIA COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on October 5, 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 entire correlative interval from 5,890 feet to 6,430 feet as shown on the log of the B. L. Turner No. 28, API No. 039 31581, A.C.H. & B. Survey, A-416, Brazoria County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Hastings, East Field.

It is further ordered that the field rules for the Hastings, East Field, adopted in Final Order No. 3-39,627, as amended, are hereby amended as follows:

RULE 1: No well for oil or gas well shall hereafter be drilled nearer than ONE HUNDRED FIFTY (150) feet to any property line, lease line or subdivision line. There is no between-well spacing limitation for wells in this field. The aforementioned distance is the minimum distance to allow an operator flexibility in locating a well. Provided however, that the Commission will grant exceptions to permit drilling within shorter distances and drilling more wells than herein prescribed whenever the Commission shall have determined that such exceptions are necessary either to prevent waste or to prevent the confiscation of property. When exception to these rules is desired, application therefore shall be filed and will be acted upon in accordance with the provisions of Commission Statewide Rule 37, which applicable provisions of said rule are incorporated herein by reference

RULE 6: The field shall have an MER of 15,000 BOPD. The maximum daily oil allowable for each well in the subject field shall be 103 barrels of oil per day, and the actual allowable for an individual well shall be determined by the sum total of the two following values:

- a. Each well shall be assigned an allowable equal to its potential based on the most recent well test filed with the Commission multiplied by FIFTY percent (50%), provided that this value shall not exceed 103 barrels of oil per day multiplied by 50%.
- b. Each well shall be assigned an allowable equal to FIFTY percent (50%) of the maximum daily oil allowable above.

The density rule for the field shall not be amended. However, proration unit plats shall not be required.

Done this 6th day of November, 2007.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated November 6, 2007)