RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL HEARINGS SECTION

OIL AND GAS DOCKET NO. 03-0268908 IN THE GIDDINGS (WILCOX 4500) FIELD, FAYETTE COUNTY, TEXAS

FINAL ORDER APPROVING THE APPLICATION OF MAGNUM PRODUCING, LP FOR A NEW FIELD DESIGNATION AND ADOPTING FIELD RULES GIDDINGS (WILCOX 4500) FIELD FAYETTE COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on February 9, 2011, 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 application of Magnum Producing, LP for a new field designation for its Lehmann et al Lease, Well No. 1, is hereby approved. The new field shall be known as the Giddings (Wilcox 4500) Field (RRC Field No. 34733 635), Fayette County, Texas.

It is further **ORDERED** that the following Field Rules are hereby adopted for the Giddings (Wilcox 4500) Field, Fayette County, Texas:

RULE 1: The correlative interval from 4,501 feet to 5,120 feet as shown on the log for the Magnum Producing, LP - Lehmann et al Lease, Well No. 1, (API No. 42-149-33210), T. Green Survey, A-191, Fayette County, Texas, shall be designated as the Giddings (Wilcox 4500) Field.

RULE 2: The maximum daily oil allowable for each well in the subject field shall be 1965 Yardstick allowable, upon expiration of the discovery allowable, and the actual allowable for an individual well shall be determined by the sum total of the two following values:

OIL AND GAS DOCKET NO. 03-0268908

- 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 NINETY FIVE PERCENT (95%), provided that this value shall not exceed the 1965 Yardstick allowable multiplied by NINETY FIVE PERCENT (95%).
- b. Each well shall be assigned an allowable equal to FIVE PERCENT (5%) of the maximum daily oil allowable above.

It is further **ORDERED** that all overproduction in the Giddings (Wilcox 4500) Field is hereby cancelled.

Done this 8th day of March, 2011.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated March 8, 2011)