RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL AND GAS DOCKET NO. 03-0287735 IN VARIOUS FORT TRINIDAD FIELDS AND THE EASTHAM STATE FARM (GLENROSE) FIELD IN HOUSTON AND MADISON COUNTIES, TEXAS

FINAL ORDER APPROVING BLANKET RULE 10 EXCEPTION AUTHORITY FOR VARIOUS FORT TRINIDAD FIELDS IN HOUSTON AND MADISON COUNTIES, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on April 24, 2014, the presiding examiners have 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 examiners' 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 SEM Operating Company, LLC for exceptions to Statewide Rule 10 is hereby approved for all wells in the following fields:

Eastham State Farm (Glenrose) Field	(Field No. 27347500)
Fort Trinidad (Glen Rose, Upper) Field	(Field No. 32156852)
Fort Trinidad, East (Buda) Field	(Field No. 32157071)
Fort Trinidad, East (Georgetown) Field	(Field No. 32157568)
Ft. Trinidad, E. (Edwards) Field	(Field No. 32157497)
Ft Trinidad, E. (Edwards -A-) Field	(Field No. 32157525)
Ft. Trinidad, SE (Edwards) Field	(Field No. 32176400)

For wells which are commingled in any combination of the subject fields after the effective date of this order, commingled production shall be assigned as requested by the operator for proration purposes.

Further, acreage assigned to wells on any leases for allocation of allowable shall not be assigned to any other well or wells projected to or completed in any of the fields; such duplicate assignment of acreage is not acceptable, provided however, that this limitation

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shall not prevent the reformation of development or proration units so long as no duplicate assignment of acreage occurs, and further, that such reformation does not violate other conservation regulations.

The operator of any well downhole commingled in any combination of the subject fields shall file the appropriate drilling permit, completion forms, an abbreviated Statewide Rule 10 Data Sheet for Wells Subject to Fieldwide Statewide Rule 10 exception (See Attachment A) and shall file at the same time, the appropriate Commission required administrative Statewide Rule 10 exception downhole commingling fee.

Done this 12th day of August, 2014.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Division's Unprotested Master Order dated August 12, 2014)