RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL AND GAS DOCKET NO. 10-0289800 IN THE HARTLEY WEST (CANYON) FIELD, OLDHAM COUNTY, TEXAS

FINAL ORDER FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE LS RANCH NORTH 1642H LEASE, HARTLEY WEST (CANYON) FIELD, OLDHAM COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on August 7, 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 proposal for decision, the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, 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 Continental Trend Resources Inc. is hereby granted an exception to Statewide Rule 32 for its LS Ranch North 1642H Lease (Permit No. 15245). Continental Trend Resources Inc. authorized to flare 7,130 MCF per month casinghead gas (230 MCF per day average) from the well for two years from July 3, 2014, through July 2, 2016. This authority is granted, provided all production is reported on the appropriate Commission forms.

The operator shall file the Statewide Rule 32 Exception Data Sheet and, shall file at the same time, the appropriate Commission required administrative Statewide Rule 32 Exception gas flaring fee for the well.

Done this 14th day of October, 2014.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Divisions' Unprotested Master Order dated October 14, 2014)