RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL AND GAS DOCKET NO. 03-0289654

IN THE SOUTHERN BAY (EAGLEFORD) FIELD, LEE COUNTY, TEXAS

FINAL ORDER FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE ALBERT LUECKE UNIT 1H IN THE SOUTHERN BAY (EAGLEFORD) FIELD, LEE COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on July 9, 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 Venado Oil & Gas is hereby granted an exception to Statewide Rule 32 for its Albert Luecke Unit 1H (Permit No. 15369). Venado Oil & Gas is authorized to flare 150 MCF/D casinghead gas from the well for one year from June 26, 2014, through June 25, 2015. 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)