RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0299131

IN THE EAGLEVILLE (EAGLE FORD-1), FIELD, ATASCOSA COUNTY, TEXAS

FINAL ORDER APPROVING THE APPLICATION OF MURPHY EXPLORATION & PRODUCTION COMPANY, FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE PEELER SW LEASE, WELL NO.1H, THE DH UNIT, WELL 1H, INDIO TANKS (PEARSALL) FIELD, AND THE WHITETAIL UNIT, WELL NO. 1H, EAGLEVILLE (EAGLE FORD -1) FIELD, ATASCOSA COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on January 29, 2016 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 Murphy Exploration & Production Company is hereby granted an exception to Statewide Rule 32 for the Peeler SW Lease, Well No.1H, and the DH Unit, Well No. 1H, Indio Tanks (Pearsall) Field, and the Whitetail Unit, Well No. 1H Eagleville (Eagle Ford-1) Field, Atascosa County, Texas. Murphy is authorized to flare a maximum volume of 125 MCF per day of casinghead gas from the Peeler SW Lease, Well No. 1H, 150 MCF per day of casinghead gas from the DH Unit, Well No. 1H, from December 31, 2015 to December 31, 2017 and 75 MCF per day of casinghead gas from Whitetail Unit, Well No. 1H, from December 1, 2015 to December 1, 2015.

The 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 all wells.

Done this 8th day of March, 2016

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Divisions' Unprotested Master Order dated March 8, 2016)