RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

O&G DOCKET NO. 08-0302040

IN THE ABRAXAS (CHERRY CANYON) FIELD, WARD COUNTY, TEXAS

FINAL ORDER

APPROVING THE APPLICATION OF ABRAXAS PETROLEUM CORPORATION FOR AN EXCEPTION TO STATEWIDE RULE 32 TO FLARE CASINGHEAD GAS FROM THE CAPRITO 83 LEASE AND FROM THE CAPRITO 98 LEASE, ABRAXAS (CHERRY CANYON) FIELD, WARD COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numerated docket heard on November 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 submitted by Abraxas Petroleum Corporation 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, 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 Abraxas Petroleum Corporation is hereby granted an exception to Statewide Rule 32 to flare casinghead gas from the Caprito 83 and Caprito 98 Leases, Abraxas (Cherry Canyon) Field, Ward County, Texas, at a volume of 300 mcf/d for the Caprito 83 Lease, and 250 mcf/d for the Caprito 98 Lease. The exception is for a period of two years, from November 29, 2016, through November 29, 2018, for both leases.

The authority is granted provided all production is reported on the appropriate Commission forms. Abraxas Petroleum Corporation shall simultaneously file the Statewide Rule 32 Exception Data Sheet, and the appropriate Commission required administrative Statewide Rule 32 Exception gas flaring fee.

Done this 24th day of January, 2017.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Divisions' unprotested Master Order Dated January 24, 2017)