RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL & GAS CASE NO. 0302524 STATUS NO. 809170

APPLICATION OF SHARP IMAGE, INC. FOR AN EXCEPTION TO STATEWIDE RULE 37 FOR THE FIVE RESOURCES 25 LEASE, WELL NO. 1PU, WILDCAT, GAR-KENT (STRAWN), SWENSON-BARRON (ELLEN.), LYN KAY (6150), SWENSON-GARZA (ELLEN.), S.N.B. (CISCO), SWENSON-GARZA (STRAWN), KALGARY (PENN. LIME), SUSAN (CANYON), SWENSON-GARZA (STRAWN B) AND SWENSON-GARZA, NE (CANYON) FIELDS, GARZA COUNTY, TEXAS

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on February 8, 2017, the presiding Administrative Law Judge and Technical Examiner ("Examiners") have made and filed a Proposal for Decision containing findings of fact and conclusions of law, which was served on all parties of record, and that this proceeding was duly submitted to the Railroad Commission of Texas at a conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the Proposal for Decision and 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 the application of Sharp Image, Inc. for an exception permit under the provisions of Statewide Rule 37 for the proposed location for the Five Resources 25 Lease, Well No. 1PU, Wildcat, Gar-Kent (Strawn), Swenson-Barron (Ellen.), Lyn Kay (6150), Swenson-Garza (Ellen.), S.N.B. (Cisco), Swenson-Garza (Strawn), Kalgary (Penn. Lime), Susan (Canyon), Swenson-Garza (Strawn B) and Swenson-Garza, Ne (Canyon) Fields be and is hereby **DENIED**.

IT IS FURTHER ORDERED by the Commission that this order shall not be final and effective until 25 days after the Commission's order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code § 2001.142, by agreement under Tex. Gov't Code § 2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code § 2001.146(e). If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code § 2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by

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operation of law is hereby extended until 90 days from the date the parties are notified of this order in accordance with Tex. Gov't Code § 2001.144.

Each exception to the Proposal for Decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

Done this 23rd day of May, 2017, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN CHRISTI CRADDICK

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COMMISSIONER WAYNE CHRISTIAN

ATTEST.

SECRETARY