RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL AND GAS DOCKET
NO. 08-0306082

IN THE U.S.M. (QUEEN) FIELD,
PECOS COUNTY, TEXAS

ORDER NUNC PRO TUNC

APPROVING THE APPLICATION OF STABLEROCK ENERGY, L.L.C. TO CONSIDER
UNITIZATION AND SECONDARY RECOVERY AUTHORITY
FOR THE STOCKTON QUEEN UNIT NO. 1,
U.S.M. (QUEEN) FIELD, PECOS COUNTY, TEXAS

In conference at its office in Austin, Texas, the Railroad Commission of Texas took up for
consideration its Final Order entered on November 7, 2017, the matter approving unitization and
secondary recovery authority for StableRock Energy, L.L.C.’s Stockton Queen Unit No. 1 in the
U.S.M. (Queen) Field, Pecos County, Texas. The Commission finds that, due to typographical
error, the Final Order entered November 7, 2017, incorrectly stated the operator’s name, the unit’s
name, and the unit’s location information on the first and second page of the Final Order.

Accordingly, it is ORDERED that the November 7th Final Order in Docket No. 08-0306082
be, and the same is hereby, amended nunc pro tunc so that the order contains the correct operator
name, unit name, unit location information, and the order now reads as follows:

Therefore, it is ORDERED by the Railroad Commission of Texas that the proposed
Stockton Queen Unit No. 1, U.S.M. (Queen) Field, Pecos County, Texas, as shown by plat
submitted, be and is hereby approved as a Unit for secondary recovery purposes, subject to the
following terms and conditions:

1. The Railroad Commission of Texas retains all powers and duties with regard to
   conservation of oil and gas in this field, and no proration order of the Commission
   will be promulgated pursuant to the terms of the unit agreement; and the allocation
   formula for the wells included in the agreement shall remain and continue in full
   force and effect as if the agreement had not been approved.

2. The proration units as established for the individual wells within the unitized area
   prior to the approval of the unitization agreement are hereby adopted, approved,
   and continued in effect for allowable allocation purposes for such wells unless the
   unit operator elects to revise the proration units.

3. For proration purposes, the unitized area will be considered a single tract.

4. The unit operator shall file with the Railroad Commission, in addition to the
   production report for the unit, a supplemental production report for each individual
   tract that is committed to the unit where any non-unitized interest exists, showing
   all things pertinent so that the owner of such non-unitized interest may have access
   to public records showing the status of his interest. The Supplemental Production
   Reports will document oil and gas production volumes determined by the method
   set out in the adopted findings of fact. Any deviation from this method must be
   submitted to the Director of the Oil and Gas Division or her delegate for approval,
   with notice to the non-unitized interest owner.
5. In order to protect unsigned ownership, when 100% of the royalty and working interest owners in a tract have not joined the unit, the operator is not authorized to convert the last producing well on that tract to an injector unless an exception is granted after notice and hearing.

6. All injection authority and each injection well within the unitized area is hereby made subject to the terms and conditions of the Texas Water Code, §27.0511 if fresh water is used.

Further, it is ORDERED by the Railroad Commission of Texas that StableRock Energy, LLC is hereby authorized to conduct secondary recovery operations on the Stockton Queen Unit No. 1, U.S.M. (Queen) Field, Pecos County, Texas, subject to the following terms and conditions:

1. All injection authority within the unitized area previously granted by the Commission is hereby made subject to the terms and conditions of this order and the Technical Permitting Section is hereby authorized to issue amended injection permits in accordance with normal procedure as necessary to reflect the terms and conditions contained in this order or as later directed by the Commission.

2. The operator may expand or modify the proposed injection facilities without additional hearing for Commission approval of such expansion or modification, with respect to secondary recovery authorization, but each injection well remains subject to the filing requirements of Statewide Rule 46 including Commission Form H-1, "Application to Inject Fluid into a Reservoir Productive of Oil or Gas" for injection wells not previously permitted as such.

3. The unit operator must submit application for injection well permits to the Technical Permitting Section and receive such permits prior to commencing injection pursuant to this order.

Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and by agreement of the Parties in writing or on the record, the parties have waived right to file a Motion for Rehearing and this Final Order is effective on the date the Master Order relating to the Final Order is signed.

Done this 23rd day of January 2018.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Division's Unprotested Master Order dated January 23, 2018.)