

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 04-0313454

APPLICATION OF SMITH PRODUCTION, INC. (789662) FOR A MER AND TO CANCEL OVERPRODUCTION FOR THE DROUGHT 156 (14068) LEASE, WELL NOS. 7, 8, AND 9, NEELY, EAST (700) FIELD, DUVAL COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on October 12, 2018, the presiding Technical Examiner and Administrative Law Judge (collectively, "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 recommendation, the findings of fact and conclusions of law contained therein, 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 Drought 156 (14068) Lease, in the Neely, East (700) Field (No. 64816498), Duval County, Texas, may be produced under a maximum efficient rate (MER) allowable of 70 barrels of oil per day (BOPD) along with the Net Gas-Oil Ratio of 2,000:1 standard cubic feet of casinghead gas per barrel of oil, or 2,000:1 SCF/Barrel.

It is further **ORDERED** that all accumulated overproduction on all wells on the Drought 156 (14068) Lease, is hereby cancelled through the effective date of this Final 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 the right to file a motion for rehearing and the Final Order in this case is final and effective on the date the Master Order relating to the Final Order is signed.**

Done this 23rd day of January 2019.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotested Master
Order dated January 23, 2019)**