RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 03-0256754

IN THE ARRIOLA DOME (6650 SAND) FIELD, HARDIN COUNTY, TEXAS

FINAL ORDER APPROVING THE MOST EFFICIENT RATE OF PRODUCTION AND INCREASED NET GAS-OIL RATIO AUTHORITY FOR THE BP COUNTRY LANE LEASE WELL NO. 1 ARRIOLA DOME (6650 SAND) FIELD HARDIN COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on June 30, 2008, the presiding examiner has 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 examiner's 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 most efficient rate of production at the current time for the BP Country Lane Lease Well No. 1 (API No. 42-199-33067) in the Arriola Dome (6650 Sand) Field, Hardin County, Texas, is established at 160 BOPD. In addition, Zachry Exploration, Ltd. is granted permission to produce the BP Country Lane Lease Well No. 1 (API No. 42-199-33067) in the Arriola Dome (6650 Sand) Field, Hardin County, Texas under increased net gas-oil ratio authority with a casinghead gas limit of 1,300 MCFGPD.

It is further ordered that all overproduction for this well in the Arriola Dome (6650 Sand) Field is canceled.

Done this 15th day of July, 2008.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated July 15, 2008)