

**RAILROAD COMMISSION OF TEXAS  
OFFICE OF GENERAL COUNSEL  
HEARINGS SECTION**

**OIL AND GAS DOCKET  
NO. 7C-0252363**

**IN THE SPRABERRY (TREND AREA)  
FIELD, UPTON COUNTY, TEXAS**

**FINAL ORDER  
ESTABLISHING THE MOST EFFICIENT RATE OF PRODUCTION  
FOR THE TERRACE PETROLEUM CORPORATION, RAILWAY RANCH "18"  
WELL NO. 1, SPRABERRY (TREND AREA) FIELD  
UPTON COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on August 9, 2007, the presiding examiner has made and filed a report and recommendation containing findings of fact and conclusions of law, for which was 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 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 for the Terrace Petroleum Corporation, Railway Ranch "18" Lease Well No. 1 in the Spraberry (Trend Area) Field, Upton County, Texas, is established at 700 barrels of oil per day.

It is further ordered that all overproduction for the Railway Ranch "18" Lease (16195) is hereby canceled.

Done this 6th day of November, 2007.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by OGC  
Unprotected Master Order dated November 6,  
2007)**