RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 8A-0259606 IN THE TEX-MEX, SE. (WICHITA ALBANY) FIELD, GAINES COUNTY, TEXAS

FINAL ORDER ADOPTING FIELD RULE 5 FOR THE TEX-MEX, SE. (WICHITA ALBANY) FIELD GAINES COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on November 17, 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 following Field Rule 5 shall be adopted for the Tex-Mex, SE. (Wichita Albany) Field, Gaines County, Texas:

RULE 5: The permitted gas-oil ratio for all wells shall be 15,000 cubic feet of gas per barrel of oil produced. Any oil well producing with a gas-oil ratio in excess of 15,000 cubic feet of gas per barrel of oil produced shall be allowed to produce daily only that volume of gas obtained by multiplying its daily oil allowable, as determined by the allocation formula applicable to the well, by 15,000. The gas volume thus obtained shall be known as the daily gas limit of the well. The daily oil allowable of the well shall then be determined by dividing its daily gas limit, obtained as herein provided, by its producing gas-oil ratio in cubic feet per barrel of oil produced.

It is further ordered that all overproduction in the Tex-Mex, SE. (Wichita Albany) Field is hereby cancelled.

Done this 15th day of January, 2009.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated January 15, 2009)