

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

**OIL AND GAS DOCKET
NO. 03-0227512**

**IN THE FRANKS, NW (8900) FIELD,
GALVESTON COUNTY, TEXAS**

**FINAL ORDER
ESTABLISHING THE MOST EFFICIENT RATE OF PRODUCTION
IN THE FRANKS, NW (8900) FIELD
GALVESTON COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on April 12, 2001, 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 Hilcorp Energy Corp. - Federal Gayatt Well No. 2 in the Franks, NW (8900) Field, Galveston County, Texas, is established at 400 BOPD. It is further ordered that all overproduction for the Federal Gayatt lease (22502) is hereby canceled.

Effective this 22nd day of May, 2001.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN MICHAEL L. WILLIAMS

COMMISSIONER CHARLES R. MATTHEWS

COMMISSIONER TONY GARZA

ATTEST:

Secretary