RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 03-0234820 IN THE HIGH ISLAND FIELD, GALVESTON COUNTY, TEXAS

FINAL ORDER APPROVING THE APPLICATION OF STROUD PRODUCTION LLC FOR AN MER ALLOWABLE FOR ITS OVERTON CADE LEASE WELL NO. 1 HIGH ISLAND FIELD GALVESTON COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on July 23, 2003, 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, 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 Stroud Production Company LLC be and is hereby granted permission to produce its Overton Cade Lease Well No. 1, High Island Field, Galveston County, Texas, under an MER allowable with a daily oil limit of 250 barrels.

It is further **ORDERED** that all overproduction for the Stroud Production Company LLC Overton Cade Lease Well No. 1, High Island Field, be and is hereby canceled as of the date of the Final Order.

Done this fifth day of August, 2003.

RAILROAD COMMISSION OF TEXAS (Order approved and signatures affixed by OGC Unprotested Master Order dated August 5, 2003.)