RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET
NO. 08-0247827

IN THE JAMESON, N. (ODOM) FIELD,
MITCHELL COUNTY, TEXAS

FINAL ORDER
APPROVING THE APPLICATION OF
MANZANITA CORPORATION FOR
INCREASED GAS/OIL RATIO AUTHORITY
FOR ITS J.F. MCCABE -B- LEASE WELL NO. 3
JAMESON, N. (ODOM) FIELD
MITCHELL COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on July 14, 2006, 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 Manzanita Corporation be and is hereby granted permission to produce its J.F. McCabe -B- Lease Well No. 3, in the Jameson, N. (Odom) Field, Mitchell County, Texas, under increased gas-oil ratio authority with a daily gas limit of 350 MCF, without restriction the oil allowable below 111 BOPD.

It is further ORDERED that all overproduction for the Manzanita Corporation J.F. McCabe -B- Lease, in the Jameson, N. (Odom) Field, be and is hereby canceled as of the date of the Final Order.

Done this eighth day of August, 2006.

RAILROAD COMMISSION OF TEXAS
(Order approved and signatures affixed by OGC Unprotested Master Order dated August 8, 2006.)