RAILROAD COMMISSION OF TEXAS  
OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET  
IN THE KENDALL (BEND CONGLOMERATE) FIELD, YOUNG COUNTY, TEXAS

NO. 09-0256908

FINAL ORDER  
APPROVING INCREASED NET GAS-OIL RATIO AUTHORITY  
FOR EACH WELL IN THE  
KENDALL (BEND CONGLOMERATE) FIELD  
YOUNG COUNTY, TEXAS

The Commission finds that after statutory notice in the above-number docket heard on July 22, 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 for which service was waived by parties of record; 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 each well in the Kendall (Bend Conglomerate) Field, Young County, Texas, is hereby granted permission to produce under increased net gas-oil ratio authority with a casinghead gas limit of 250 MCFGPD. It is further ordered that each well's oil allowable shall not be penalized unless the above permitted casinghead gas limit is exceeded.

It is further ordered that all overproduction in the Kendall (Bend Conglomerate) Field is hereby cancelled.

Done this 12th day of August, 2008.

RAILROAD COMMISSION OF TEXAS  
(Order approved and signatures affixed by OGC Unprotested Master Order dated August 12, 2008)