THE COMMISSION finds that after statutory notice in the above-numbered docket heard on October 29, 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 most efficient rate of production at the current time for the each well in the Los Ybanez (Spraberry) Field is 185 BOPD. It is further ordered by the Railroad Commission of Texas that operators are hereby granted permission to produce wells in the Los Ybanez (Spraberry) Field, Dawson County, Texas, under increased net gas-oil ratio authority with a casinghead gas limit of 800 MCFD. It is further ordered the subject 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 Los Ybanez (Spraberry) Field is hereby canceled.

Done this 16th day of December, 2008.