RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET
IN THE PROVIDENT CITY (YEGUA N, WEST) FIELD, LAVACA COUNTY, TEXAS

NO. 02-0228534

FINAL ORDER
APPROVING THE APPLICATION OF SHANA PETROLEUM COMPANY
FOR INCREASED GAS-OIL RATIO AUTHORITY
FOR ITS TRAYLOR-MITCHELL LEASE, WELL NO. 1
PROVIDENT CITY (YEGUA N, WEST) FIELD
LAVACA COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on July 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, 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 Shana Petroleum Company be and is hereby granted permission to produce its Traylor-Mitchell Lease Well No. 1, Provident City (Yegua N, West) Field, Lavaca County, Texas, under increased gas-oil ratio authority, with a daily gas limit of 800 MCF.

It is further ORDERED that all gas overproduction for the Shana Petroleum Company Traylor-Mitchell Lease Well No. 1, Provident City (Yegua N, West) Field, Lavaca County, be and is hereby canceled.

Done this seventh day of August, 2001.

RAILROAD COMMISSION OF TEXAS

Chairman Michael L. Williams

Commissioner Charles R. Matthews

Commissioner Tony Garza

ATTEST:

Secretary