RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET IN THE LUCKY-MAG (DIVIDE SAND) NO. 7C-0258433 FIELD, IRION COUNTY, TEXAS

FINAL ORDER
APPROVING INCREASED NET GAS-OIL RATIO AUTHORITY FOR EACH WELL IN THE LUCKY-MAG (DIVIDE SAND) FIELD IRION COUNTY, TEXAS

The Commission finds that after statutory notice in the above-number docket heard on September 24, 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 Lucky-Mag (Divide Sand) Field, Irion County, Texas, is hereby granted permission to produce under increased net gas-oil ratio authority with a casinghead gas limit of 500 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 Lucky-Mag (Divide Sand) Field is hereby cancelled.

Done this 20th day of October, 2008.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated October 20, 2008)