

**RAILROAD COMMISSION OF TEXAS  
OFFICE OF GENERAL COUNSEL  
HEARINGS SECTION**

**OIL AND GAS DOCKET  
NO. 03-0262485**

**IN THE MORIAN, SE (WILCOX) FIELD,  
SAN JACINTO COUNTY, TEXAS**

**FINAL ORDER  
APPROVING THE APPLICATION OF SANDHAWK ENERGY, LLC  
FOR A NEW FIELD DESIGNATION AND ADOPTING FIELD RULES  
FOR THE MORIAN, SE (WILCOX) FIELD  
SAN JACINTO COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on August 13, 2009, 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 application of Sandhawk Energy, LLC for a new field designation for its Morian Lease, Well No. 7, is hereby approved. The new field shall be known as the Morian, SE (Wilcox) Field (RRC Field No. 62910 500), San Jacinto County, Texas.

It is further **ORDERED** that the following Field Rules are hereby adopted for the Morian, SE (Wilcox) Field, San Jacinto County, Texas:

**RULE 1:** The entire correlative interval from 9,563 feet TVD to 11,590 feet TVD as shown on the log for the Sandhawk Energy, LLC - Morian Lease, Well No. 7 (API No. 42-407-30663), J.D. Martinez Survey, A-34, San Jacinto County, Texas, shall be designated as the Morian, SE (Wilcox) Field.

**RULE 2:** The daily allowable production of gas from individual wells completed in a non-associated gas reservoir of the subject field shall be determined by allocating the allowable production, after deductions have been made for wells which are incapable of producing their gas allowables, among the individual wells in the following manner:

FIVE percent (5%) of the field's total allowable shall be allocated equally among all the individual prorable wells producing from the field.

NINETY-FIVE percent (95%) of the total field allowable shall be allocated among the individual wells in the proportion that the deliverability of such well, as evidenced by the most recent G-10 test filed with the Railroad Commission bears to the summation of the deliverability of all prorable wells producing from this field.

It is further ordered by the Railroad Commission of Texas that the application of Sandhawk Energy, LLC for suspension of the allocation formula in the Morian, SE (Wilcox) Field is approved. The allocation formula may be reinstated administratively if the market demand for gas in the Morian, SE (Wilcox) Field drops below 100% of deliverability. If the market demand for gas in the Morian, SE (Wilcox) Field drops below 100% of deliverability while the allocation formula is suspended, the operator shall immediately notify the Commission and the allocation formula shall be immediately reinstated.

It is further **ORDERED** that Operators shall not be required to file Form P-15 or plats for wells in the field.

It is further **ORDERED** that the following well in the Drews Landing (Wilcox Cons) Field shall be transferred into the Morian, SE (Wilcox) Field without requiring a new drilling permit:

<u>WELL NAME</u>	<u>GAS ID NO.</u>	<u>API NO.</u>
Morian No. 7	233276	42-407-30663

Done this 29<sup>th</sup> day of September, 2009.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures  
affixed by OGC Unprotected Master  
Order dated September 29, 2009)**