RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 08-0246799

IN THE SLAUGHTER PIK (WOLFCAMP) FIELD, PECOS COUNTY, TEXAS

FINAL ORDER
APPROVING THE APPLICATION OF
FASKEN OIL & RANCH, LTD.
FOR A NEW FIELD TO BE KNOWN AS THE
SLAUGHTER PIK (WOLFCAMP) FIELD AND
FOR ADOPTION OF OPERATING RULES AND REGULATIONS
FOR THE SLAUGHTER PIK (WOLFCAMP) FIELD
PECOS COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on April 13, 2006, 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 the application of Fasken Oil & Ranch, Ltd. for a New Field Designation to be known as the Slaughter PIK (Wolfcamp) Field (No. 83993 500), Pecos County, Texas, be and it is hereby approved.

It is further ORDERED by the Railroad Commission of Texas that the following field rules be and are hereby adopted for the Slaughter PIK (Wolfcamp) Field, Pecos County, Texas.

RULE 1: The entire correlative interval from 6138 feet to 10,890 feet as shown on the electric log of the Slaughter PIK "18" Lease, Well No. 1, API No. 371-32802, Section 18, Block 128, T & STL RR Co. Survey, Pecos County, Texas, shall be designated as a single reservoir for proration purposes and be designated as the Slaughter PIK (Wolfcamp) Field.

RULE 2: The daily allowable production of gas from individual wells completed in a 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 total field allowable shall be allocated equally among the individual proratable wells in the field.

NINETY-FIVE percent (95%) of the total 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 proratable wells producing from the field.

Done this sixteenth day of May, 2006

RAILROAD COMMISSION OF TEXAS
(Order approved and signatures affixed by OGC Unprotested Master Order dated May 16, 2006.)