RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL AND GAS DOCKET IN THE EMPEROR (WOODFORD NO. 08-0277948 SHALE) FIELD, ANDREWS COUNTY, TEXAS

FINAL ORDER
APPROVING THE APPLICATION OF CHESAPEAKE OPERATING, INC. FOR A NEW FIELD DESIGNATION AND TO ADOPT FIELD RULES FOR THE EMPEROR (WOODFORD SHALE) FIELD ANDREWS COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on September 20, 2012, the presiding examiners have 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 examiners' 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 Chesapeake Operating, Inc. for a new field designation for its Bruce & Bar 73-18 Lease, Well No. 1H, is hereby approved. The new field shall be known as the Emperor (Woodford Shale) Field (ID No. 28961 900), Andrews County, Texas.

It is further ORDERED that the following Field Rules are hereby adopted for the Emperor (Woodford Shale) Field, Andrews County, Texas:

RULE 1: The correlative interval from 9,727 feet to 10,182 feet as shown on the log of the Chesapeake Operating, Inc. - Bruce & Bar 73-18 Lease, Well No. 1H (API No. 42-003-42271), Section 18, Block 73, PSL Survey, A-2089, Andrews County, Texas, shall be designated as the Emperor (Woodford Shale) Field.
RULE 2: The maximum daily oil allowable for each well in the subject field shall be the 1965 Yardstick Allowable of 172 barrels of oil per day. The maximum daily oil allowable for a well in the field shall be determined by multiplying the applicable yardstick allowable for a well in the field by a fraction, the numerator of which is the acreage assigned to the well for proration purposes and the denominator of which is the maximum acreage authorized by these field rules for proration purposes, exclusive of tolerance acreage. The daily oil allowable for a well in the field shall be adjusted in accordance with Statewide Rule 49(a) when applicable.

Done this 6th day of November, 2012.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Divisions’ Unprotested Master Order dated November 6, 2012)