RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0298269
IN THE SOMERSET FIELD, ATASCOSA COUNTY, TEXAS.

FINAL ORDER
APPROVING THE APPLICATION OF PETROSAURUS INC. TO CONSIDER AN EXCEPTION TO STATEWIDE RULE 21 IN ORDER TO PRODUCE BY SWABBING, BAILING OR JETTING, J. KOEHLER SOUTH LEASE, WELL NO. 44, SOMERSET FIELD, BEXAR COUNTY, TEXAS.

The Commission finds that after statutory notice in the above-numbered docket heard on November 02, 2015 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 Petrosaurus Inc. for an exception to Statewide Rule 21 to allow production by swabbing of the following lease and wells;

1. J. Koehler South Lease, (11627) Bexar County, Texas.
   Well No. 44

in the Somerset Field, in Bexar County, Texas be and is hereby APPROVED subject to the following conditions:

CONDITIONS

1. Wellhead Control. All wells must remain equipped with wellhead control consistent with the requirements of Statewide Rule 13.

2. Production Reporting. All hydrocarbons produced must be reported consistent with the requirements of Statewide Rule 58.

3. Intention to Plug. The operator must file a Form W-3A (Notice of Intention to Plug
and Abandon with the District Office at least five (5) days prior to beginning plugging operations. If, however, a drilling rig is already at work on location and ready to begin plugging operations, the district director or the director’s delegate may waive this requirement upon request, and verbally approve the proposed plugging procedures.

4. Notification of plugging. The operator MUST call to notify the appropriate district office a minimum of four (4) hours prior to beginning plugging operations. The individual giving notification MUST be able to advise the district office of the docket number and all water protection depths for that location as stated in the Texas Commission on Environmental Quality letter.

5. Plugged Wells. Should any wells on this lease ever be plugged and abandoned, the Commission will consider such plugging and abandonment as prima facie evidence that production from said well is no longer necessary to prevent confiscation of applicant’s property or to prevent waste; and upon such plugging and abandonment, the authority for such well as granted under this permit shall cease.

6. Permit Expiration. This permit shall not expire so long as Petrosaurus Inc. remains the operator of the applied-for wells on the applied-for lease. This permit is not transferable.

Done this 15th day of December, 2015.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Divisions' Unprotested Master Order dated December 15, 2015)