RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL AND GAS DOCKET IN THE SOMERSET FIELD, ATASCOSA
NO. 01-0298270 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, IMA FOWLER LEASE, WELL NOs. 1, 2, 3, 4, SOMERSET
FIELD, ATASCOSA 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. Ima Fowler Lease, (10857) Atascosa County, Texas
   Well Nos. 1, 2, 3, 4.

in the Somerset Field, in Atascosa 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)