

RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL AND GAS DOCKET
NO. 01-0295778

IN THE PILOSA, EAST (2ND SAN
MIGUEL) FIELD, ZAVALA COUNTY,
TEXAS

FINAL ORDER
DENYING THE APPLICATION OF TEXOKAN OPERATING, INC.
PURSUANT TO STATEWIDE RULE 46 FOR A PERMIT TO INJECT FLUID
INTO A RESERVOIR PRODUCTIVE OF OIL OR GAS,
JONSSON-PERLITZ RANCH LEASE, WELL NO. 3,
PILOSA, EAST (2ND SAN MIGUEL) FIELD,
ZAVALA COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on June 19, 2015, the Examiners have made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record; that the proposed application is not 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 proposal for decision, the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, 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 Texokan Operating, Inc., pursuant to Statewide Rule 46 for a permit to inject fluid into a reservoir productive of oil or gas, Jonsson-Perlitz Ranch Lease, Well No. 3, Pilosa, East (2nd San Miguel) Field, Zavala County, Texas, is hereby **DENIED**.

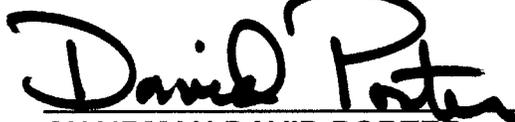
Each exception to the Examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 25 days after the Commission's order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). If a timely motion for rehearing of an application is filed by any party at interest, this order shall not become final and effective until such motion is

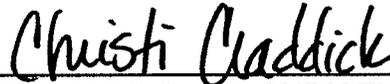
overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law is hereby extended until 90 days from the date Commission Order is signed.

Done this 8th day of December, 2015.

RAILROAD COMMISSION OF TEXAS



CHAIRMAN DAVID PORTER

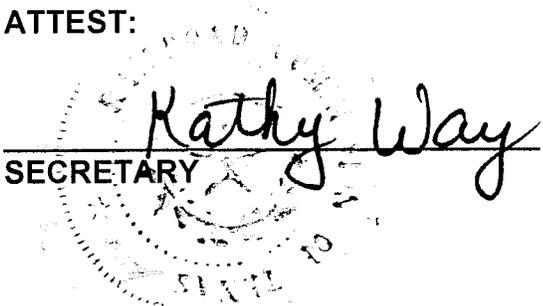


COMMISSIONER CHRISTI CRADDICK



COMMISSIONER RYAN SITTON

ATTEST:



Kathy Way

SECRETARY