

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
HEARINGS SECTION**

OIL & GAS DOCKET NO. 09-0252373

**APPLICATION OF FINLEY RESOURCES, INC., FOR THE FORMATION OF A UNIT
PURSUANT TO THE MINERAL INTEREST POOLING ACT FOR THE PROPOSED EAST
SIDE UNIT, NEWARK, EAST (BARNETT SHALE) FIELD, TARRANT COUNTY, TEXAS**

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on August 24, 2007, the examiners have made and filed a report and amended proposal for decision issued August 5, 2008, containing findings of fact and conclusions of law, which was served on all parties of record, 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 amended proposal for decision issued August 5, 2008, and 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 Finley Resources, Inc., for formation of a pooled unit pursuant to the Mineral Interest Pooling Act is hereby **GRANTED** to the extent, and subject to the terms and conditions, set forth in this order. All interests in tracts within the area described in Appendix 1 to this Final Order, including working interests, royalty interests, and unleased mineral interests, are pooled into the East Side Unit containing 96.32 acres out of the B. E. Waller Survey, A-1659, and the R. Cross Survey, A-304, Newark, East (Barnett Shale) Field, in Tarrant County, Texas. These interests are pooled into a proration unit for the drilling of a horizontal well in the Newark, East (Barnett Shale) Field at the location shown on Finley Resources, Inc., Exhibit No. 16 in this docket, which is attached as Appendix 2 to this order, subject to the following terms and conditions.

TERMS AND CONDITIONS

1. The name of the unit is the Finley Resources, Inc. East Side Unit.
2. The operator of the unit is Finley Resources, Inc.
3. The unit well is the well depicted on Appendix 2 to this order.

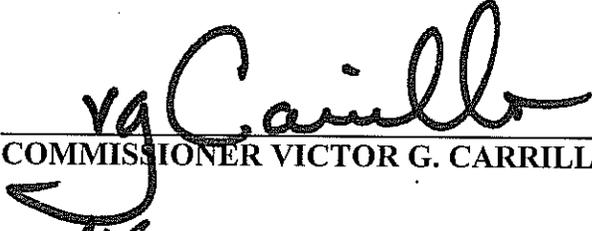
4. The unit shall be effective on the date this order becomes administratively final.
5. The unit is established for and limited to the depth interval correlative with the Newark, East (Barnett Shale) Field.
6. For the purpose of determining the portion of production owned by the persons owning interests in the pooled unit, the production be allocated to the respective tracts within the unit in the proportion that the number of surface acres included within each tract bears to the number of surface acres included in the entire unit.
7. The interests of lessors of tracts within the unit are pooled as royalty interests. The interests of Finley Resources, Inc., Chesapeake Exploration, LLC, Dale Resources, LLC, and Dale Property Services, LLC in tracts within the unit are pooled as working interests.
8. The owners are all unleased tracts within the unit are pooled as owners of a 1/5th royalty and 4/5ths working interest, proportionately reduced. These owners share of expenses, subject to a zero risk penalty, are payable only from 4/5ths of production rather than from their entire mineral interest.
9. The unit operator shall make no surface use of the unleased tracts within the unit without the written consent of the unleased owner.
10. Finley Resources, Inc., shall make a diligent effort to determine current addresses for all interest owners in the unit. Except as herein provided, payment of the appropriate pro rata share of the proceeds of production of the unit well shall be made, according to the terms of this final order, to each such interest owner for whom a current address and good title has been determined. The pro rata share of proceeds of production for any interest owner for whom a current address cannot be determined, or who declines to execute a division order in the form prescribed by §91.402 of the Texas Natural Resources Code, shall be held in escrow for the benefit of such owners and be subject to disposition in the manner provided by law.
11. The working interest owners shall adopt a joint operating agreement substantially in the form of the AAPL Form Joint Operating Agreement, which shall not include any provision prohibited by the Mineral Interest Pooling Act or contravene any provision of this final order.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party of 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 the parties are notified of the order.

Each exception to the examiner's 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.

Done this 25th day of August, 2008, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

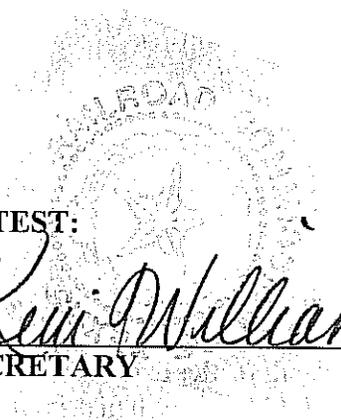


COMMISSIONER VICTOR G. CARRILLO



COMMISSIONER ELIZABETH A. JONES

ATTEST:




SECRETARY