RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
HEARINGS SECTION

OIL AND GAS DOCKET
NO. 01-0271975

IN THE DERBY (GLEN ROSE H2S
DISPOSAL) FIELD, FRIO COUNTY,
TEXAS

FINAL ORDER
APPROVING THE APPLICATION OF TEXSTAR MIDSTREAM UTILITY, LP
FOR INJECTION OF FLUIDS CONTAINING HYDROGEN SULFIDE
PURSUANT TO STATEWIDE RULES 9 AND 36 IN THE
LANCASTER AGI LEASE, WELL NO. 1
DERBY (GLEN ROSE H2S DISPOSAL) FIELD
FRIO COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket
heard on September 1, 2011, 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 a new field
designation known as the Derby (Glen Rose H2S Disposal) Field (No. 24366 400) Frio
County, Texas, is hereby approved for the Lancaster AGI Lease, Well No. 1.

It is further ORDERED by the Railroad Commission of Texas that Texstar
Midstream Utility, LP is hereby authorized to dispose of fluids containing hydrogen sulfide
into its Lancaster AGI Lease, Well No. 1, Derby (Glen Rose H2S Disposal) Field, Frio
County, Texas, pursuant to Statewide Rule 36(c)(10)(A).

It is further ORDERED by the Railroad Commission of Texas that Texstar
Midstream Utility, LP is hereby authorized to conduct disposal operations in the Lancaster
AGI Lease, Well No. 1, Derby (Glen Rose H2S Disposal) Field, Frio County, Texas, subject
to the following terms and conditions:
SPECIAL CONDITIONS:

1. Waste shall only be injected into strata in the subsurface interval between 8,400 feet and 9,850 feet.

2. The injection volume shall not exceed 3,500 MCF of acid gas per day.

3. The maximum operating surface injection pressure shall not exceed 4,200 psig.

4. Before injection operations can begin, Texstar Midstream Utility, LP must have an approved contingency plan.

STANDARD CONDITIONS:

1. Injection must be through tubing set on a packer. The packer must be set no higher than 100 feet above the top of the permitted interval.

2. The District Office must be notified 48 hours prior to:
   a. running tubing and setting packer;
   b. beginning any workover or remedial operation;
   c. conducting any required pressure tests or surveys.

3. The wellhead must be equipped with a pressure observation valve on the tubing and for each annulus.

4. Prior to beginning injection, and subsequently after any workover, an annulus pressure test must be performed. The test pressure must equal the maximum authorized injection pressure or 500 psig, whichever is less, but must be at least 200 psig. The test must be performed and the results submitted in accordance with the instructions of Form H-5.

5. The injection pressure and injection volume must be monitored at least monthly and reported annually on Form H-10 to the Commission's Austin Office.

6. Within 30 days after completion, conversion to disposal, or any workover which results in a change in well completion, a new Form W-2 or G-1 must be filed in duplicate with the District Office to show the current completion status of the well. The date of the disposal well permit and the permit number must be included on the new Form W-2 or G-1.

7. Written notice of intent to transfer the permit to another operator must be submitted to the Commission at least 15 days prior to the date the transfer will occur by filing Form P-4.
8. This permit will expire when the Form W-3, Plugging Record, is filed with the Commission.

9. That the well be identified and operated according to Permit Number 13404.

Provided further that, should it be determined that such injection fluid is not confined to the approved strata, then the permission given herein is suspended and disposal operation must be stopped until the fluid migration from such strata is eliminated. The special permit conditions may be modified after notice and opportunity for hearing to prevent migration of injection fluid from the approved strata.

Done this 11th day of October, 2011.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by OGC Unprotested Master Order dated October 11, 2011)
RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
HEARINGS SECTION

OGC UNPROTESTED MASTER ORDER

OCTOBER 11, 2011

At a public conference held at its offices in Austin, Texas, the Commission finds that after statutory notice, the below referenced proceedings were heard by the examiners and that no party appeared in protest to the requested relief. The Final Orders for each of the below referenced dockets are incorporated by reference into this order, and by signing this Master Order, the Commission approves each of the Final Orders and adopts the provisions contained therein.

<table>
<thead>
<tr>
<th>DOCKET NO.</th>
<th>APPLICANT</th>
<th>LEASE, WELL, OR SITE</th>
<th>ORDER TERMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Rules</td>
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<tbody>
<tr>
<td>06-0271440 (Andy Trevino)</td>
<td>Devon Energy Production Co, L.P.</td>
<td>Stockman (Cotton Valley) Field, Shelby County, Texas</td>
<td>Amend field rules</td>
</tr>
<tr>
<td>10-0271882 (Richard Atkins)</td>
<td>Samson Lone Star, LLC</td>
<td>Stiles Ranch (Granite Wash Cons) Field, Hemphill and Wheeler Counties, Texas</td>
<td>Amend field rule No. 2</td>
</tr>
<tr>
<td>05-0272194 (Richard Atkins)</td>
<td>XTO Energy Inc.</td>
<td>Teague (CV-Bossier Cons) Field, Freestone County, Texas</td>
<td>Amend field rule No. 2 and adopt field rule No. 5</td>
</tr>
<tr>
<td>08-0272343 (Richard Atkins)</td>
<td>Petroplex Energy Inc.</td>
<td>Gladys Cowden (Strawn) Field, Martin and Midland Counties, Texas</td>
<td>Adopt field rules</td>
</tr>
<tr>
<td>06-0271582 (Brian Fancher)</td>
<td>NFR Energy, LLC</td>
<td>Oak Hill (Cotton Valley) Field, Gregg, Harrison, Panola, and Rusk Counties, Texas</td>
<td>Amend field rules</td>
</tr>
<tr>
<td>06-0271584 (Brian Fancher)</td>
<td>NFR Energy, LLC</td>
<td>Minden (Cotton Valley Cons.) Field, Rusk County, Texas</td>
<td>Amend field rules</td>
</tr>
<tr>
<td>06-0271583 (Brian Fancher)</td>
<td>NFR Energy, LLC</td>
<td>Henderson, E. (Cotton Valley) Field, Rusk County, Texas</td>
<td>Amend field rules</td>
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<tr>
<td>10-0271872 (Brian Fancher)</td>
<td>Forest Oil Corporation</td>
<td>Clark Martin (Granite Wash) Field, Roberts County, Texas</td>
<td>Amend field rules</td>
</tr>
<tr>
<td>01-0271875 (Brian Fancher)</td>
<td>Virtex Operating Co., Inc.</td>
<td>Doering Ranch (Georgetown) Field, Frio County, Texas</td>
<td>Amend field rules</td>
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<td>Docket No.</td>
<td>Applicant</td>
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<td>Order Terms</td>
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<tr>
<td>New Field Designation and Field Rules</td>
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<tr>
<td>03-0271580</td>
<td>Caza Operating, LLC</td>
<td>Red Bull (Cook Mountain) Field, Wharton County, Texas</td>
<td>Approve the new field designation and adopt temporary field rules</td>
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<tr>
<td>(Richard Atkins)</td>
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<tr>
<td>Net-GOR and MER Authority</td>
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<tr>
<td>08-0270700</td>
<td>Apache Corporation</td>
<td>J. B. Tubb -C- Lease, Sand Hills (Wichita-Albany) Field, Crane County, Texas</td>
<td>Approve increased Net GOR with a gas limit of 1,000 MCFD and cancel overproduction</td>
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<tr>
<td>(Andy Trevino)</td>
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<tr>
<td>Establishment of an Entity for Density Purposes</td>
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<tr>
<td>08-0272371</td>
<td>Chevron Midcontinent, L.P.</td>
<td>Parker Unit, Parker (Wolfcamp Consolidated) Field, Andrews County, Texas</td>
<td>Approve as an entity-for-density</td>
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<tr>
<td>(Brian Fancher)</td>
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<tr>
<td>Statewide Rule 36</td>
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<tr>
<td>01-0271975</td>
<td>Texstar Midstream Utility, LP</td>
<td>Lancaster AGI Lease, Well No. 1, Derby (Glen Rose H2S Disposal) Field, Frio County, Texas</td>
<td>Approve Statewide Rules 9 and 36 injection authority</td>
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<tr>
<td>(Richard Atkins)</td>
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<td>Cancel Overproduction</td>
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<tr>
<td>03-0271955</td>
<td>Rutherford Oil Corporation</td>
<td>Craigen-Hebert Unit, Well No. 1, Taylor-Bayou, East (8700) Field, Jefferson County, Texas</td>
<td>Cancel overproduction</td>
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<td>(Brian Fancher)</td>
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</table>
IT IS ORDERED that each referenced Final Order shall become effective when this Order is signed and that a copy of this Order shall be affixed to each Final Order.

Done in Austin, Texas on October 11, 2011.

RAILROAD COMMISSION OF TEXAS

Chairman Elizabeth James Jones

Commissioner David Porter

Commissioner Barry T. Smith

ATTEST:

Kathy Way

Secretary