

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
OIL AND GAS SECTION**

RULE 38 CASE NO. 0213531

**APPLICATION OF SAMEDAN
OIL CORPORATION FOR AN
EXCEPTION TO STATEWIDE
RULE 37 TO DRILL WELL NO.
9R ON THE BOB WOOD LEASE,
EAST TEXAS FIELD, GREGG
COUNTY, TEXAS**

FINAL ORDER

The Railroad Commission has received and docketed this application from Samedan Oil Corporation for an exception to Statewide Rule 37 to drill Well No. 9R on the Bob Wood Lease, East Texas Field, Gregg County, Texas, and makes the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

1. Notice of Hearing was sent on September 6, 1996, to all designated operators, lessees of record for tracts having no designated operator, and owners of record of unleased mineral interests, for each adjacent tract and each tract nearer than 330 feet to the proposed location.
2. Applicant has applied on Commission Form W-1 to drill Well No. 9R on the 116.8 acre Bob Wood Lease, East Texas Field, Gregg County, Texas. The proposed location is 700 feet from the west line and 530 feet from the north line of the lease, and 2,740 feet from the north line and 700 feet from the west line of the I.C. Skillern Survey, Abstract No. A-4; the proposed well will be the eleventh producing well on the lease. Field rules require a lease-line spacing of 330 feet and 660 feet between wells, with optional five acre density. There are at least five acres on the tract productive in the East Texas Field and capable of being drained by the proposed well, which will be drilled to a total depth of 3,600 feet. This well will replace the #9 Bob Wood well which is a casing leak allowable transfer well. There are at least 58.885 productive acres on the tract, and the proposed well is necessary to prevent confiscation.
3. No person appeared at the hearing in protest of the application.

CONCLUSIONS OF LAW

1. Form W-1 for the proposed well was properly filed with the Railroad Commission.

2. Timely and legally sufficient notice was issued by the Railroad Commission.
3. The Railroad Commission has jurisdiction over the parties and the subject matter of the application.
4. The proposed well may be approved under Tex. R.R. Comm'n, 16 Tex. Admin. Code §3.37 (Statewide Rule 37) and is necessary to prevent confiscation of property.

IT IS THEREFORE ORDERED that the application of Samedan Oil Corporation for an exception to the provisions of Statewide Rule 37 to drill Well No. 9R on the 116.8 acre Bob Wood Lease, East Texas Field, Gregg County, Texas, at a location 700 feet from the west line and 530 feet from the north line of the lease, and 2,740 feet from the north line and 700 feet from the west line of the I.C. Skillern Survey, Abstract No. A-4, be and hereby is **APPROVED**, subject to the conditions stated below.

CONDITIONS

1. **Fresh Water Sand Protection.** Before an allowable will be assigned to a re-entered well, the operator must contact the Railroad Commission District 6 Office for approval of a fresh water protection plan under Statewide Rule 13.
2. **Permit at Drilling Site.** A copy of the Form W-1 (Drilling Permit Application), the location plat, a copy of Statewide Rule 13 alternate surface casing setting depth approval from the district office, if applicable, and this drilling permit must be kept at the permitted well site throughout the drilling operations.
3. **Producing Well.** Statewide Rule 16 requires that the operator submit a Form W-2 (oil well) or Form G-1 (gas well) to the appropriate Commission district office within thirty (30) days after completion of such well. Completion of the well in a field authorized by this order voids the order for all other fields included in the order unless the operator indicates on the initial completion report that the well is to be a dual or multiple completion and promptly submits an application for multiple completion. All zones are required to be completed before the expiration date of this order.
4. **Dry or Noncommercial Hole.** Statewide Rule 14(b)(2) prohibits suspension of operations on each dry or noncommercial well without plugging unless the hole is cased and the casing is cemented in compliance with Commission rules. If properly cased, Statewide Rule 14(b)(2) requires that plugging operations must begin within a period of one (1) year after drilling or operations have ceased. Plugging operations must proceed with due diligence until completed. An extension to the one year plugging requirement may be granted under the provisions stated in Statewide Rule 14(b)(2).

- 5. **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.
- 6. **Notification of Plugging a Dry Hole.** 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 Water Commission letter.
- 7. **Plugged Wells.** Should this well 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.
- 8. **Permit Expiration.** This permit expires two (2) years from the date this order becomes administratively final, unless actual drilling operations have begun. the permit period will not be extended.

Done this _____ day of _____, 1996.

CHAIRMAN

COMMISSIONER

COMMISSIONER

ATTEST:

SECRETARY