

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

**OIL AND GAS DOCKET NO. 05-0266708**

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**APPLICATION OF JACKSON OIL TO SUPERCEDE THE PROVISIONS OF THE FINAL ORDER IN DOCKET NO. 05-023641 SIGNED ON APRIL 8, 2003 REQUIRING THE PLUGGING OF WELL NO. 1, JACKSON, C.C. ESTATE (02279) LEASE, CORSICANA (SHALLOW) FIELD, NAVARRO COUNTY, TEXAS, ENABLING JACKSON OIL TO BECOME THE OPERATOR OF RECORD.**

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**FINAL ORDER**

The Commission finds that after statutory notice the above-captioned proceeding was heard by the examiner on August 20, 2010. Having been duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, the Commission makes the following Findings of Fact and Conclusions of Law.

**FINDINGS OF FACT**

1. Jackson Oil (hereinafter "Jackson ") and Charles Randy Ridenour DBA Ridenour, Randy Independent (hereinafter "Ridenour") were given at least 10 days notice of this proceeding. Jackson appeared at the scheduled time and place for the hearing through its Owner, James Jackson and presented evidence. Ridenour did not appear. Jackson has agreed on the record to waive issuance of a PFD and that this Final Order shall be effective as of the date a Master Order relating to this Final Order is signed.
2. Jackson filed its first Commission Form P-5 (Organization Report) with the Commission on July 16, 1982, and filed its most recent Commission Form P-5 on June 8, 2010. Jackson has posted financial assurance with the Commission in the form of a \$25,000 Letter of Credit which expires October 1, 2011.
3. Ridenour was recognized as the operator of the Jackson, C.C. Estate (02279) Lease, Well No. 1 (hereinafter "subject lease and well") after filing Commission Forms P-4 (Producer's Transportation Authority and Certificate of Compliance), effective July 1, 2000.
4. In Oil & Gas Docket No. 05-0232641, Ridenour was ordered to plug the Jackson, C.C. Estate (02279) Lease, Well No. 1, and pay an administrative penalty of \$26,000.
5. Jackson provided a copy of a lease dated August 18, 2010 with a three year primary term on the subject well granted by Howard H. Jackson and Kit Herrington.
6. Superceding the requirement in the Final Order entered in Oil & Gas Docket No. 05-0232641

that the Jackson, C.C. Estate (02279) Lease, Well No. 1 be plugged is necessary to prevent waste.

- (a) The field interval has numerous production zones, and Jackson Oil believes too many have been perforated. Jackson will perform a squeeze job on the existing perforations and re-complete uphole.
  - (b) Jackson expects the well to initially produce at a rate of 6 to 8 BOPD and then taper down to 1 to 2 BOPD for the long term.
7. The requirement in the Final Order in Oil & Gas Docket 05-0232641 that Ridenour pay an administrative penalty of \$26,000.00 will remain in effect.

### CONCLUSIONS OF LAW

1. Proper notice of hearing was timely issued to the appropriate persons entitled to notice.
2. All things necessary to the Commission attaining jurisdiction have occurred.
3. Jackson Oil has a good faith claim of a right to operate the subject lease.
4. Jackson Oil has filed financial assurance in the type and amount required under Texas Natural Resources Code §91.107 to be approved as the operator of the subject lease.
5. A Final Order superceding the Final Order entered in Oil & Gas Docket No. 05-0232641 requiring plugging of Well No. 1 on the Jackson, C.C. Estate (02279) Lease, Navarro County, is necessary to prevent waste.
6. The Final Order in this Docket superceding the Final Order in Oil & Gas Docket 05-0232641 is effective only as to the disposition of Well No. 1 on the Jackson, C.C. Estate (02279) Lease, Navarro County, and does not relieve Ridenhour of its obligation to pay an administrative penalty of \$26,000.00 to the Railroad Commission.
7. Pursuant to §2001.144(a)(4) of the Texas Government Code, and the agreement of Jackson, this Final Order is effective when a Master Order relating to this Final Order is signed on September 14, 2010.

It is accordingly **ORDERED** that the provision in the Final Order entered in Oil & Gas Docket No. 05-0232641 requiring plugging of Well No. 1 on the Jackson, C.C. Estate (02279) Lease, Navarro County is hereby superceded. All other provisions of the Final Order shall remain in full force and effect.

It is further **ORDERED** that the Form P-4 (Certificate of Compliance and Transportation

Authority) filed by Jackson Oil to change the operator of Well No. 1 on the Jackson, C.C. Estate (02279) Lease, Corsicana (Shallow) Field, Navarro County, from Ridenhour to Jackson Oil is hereby **APPROVED**.

It is further **ORDERED** by the Commission that this order shall be effective on September 14, 2010, when the Master Order relating to this Final Order is signed.

All pending motions and requests for relief not previously granted or granted herein are denied.

Done this 14th day of September, 2010, in Austin, Texas.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotected Master Order dated  
September 14, 2010)**