RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 09-0251512 IN THE NEWARK, EAST (BARNETT SHALE) FIELD, BOSQUE COUNTY, TEXAS

FINAL ORDER DENYING THE APPLICATION OF WEC INC. FOR COMMERCIAL DISPOSAL AUTHORITY PURSUANT TO RULE 9 IN THE GURU SWD WELL NO. 1 NEWARK, EAST (BARNETT SHALE) FIELD BOSQUE COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on August 22-24 and September 19, 2007, the presiding 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 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, adopts Finding of Fact Nos. 1,2,3,5,6 and 7 and Conclusion of Law Nos. 1, 2 and 3. The Commission declines to adopt Finding of Fact No. 4 and Conclusion of Law Nos. 4 and 5. The Commission hereby adopts Substitute Finding of Fact No. 4 and Substitute Conclusion of Law Nos. 4 and 5 as follows:

Substitute Findings of Fact:

- 4. Applicant failed to demonstrate that the proposed disposal well is in the public interest as required under Texas Water Code Sec. 27.051(a)(1).
 - a. The evidence in the record regarding the number of drilling permits issued for wells in Bosque County and other adjacent counties is not sufficient to establish a current general industry need for the proposed facility at the proposed location.
 - b. The deposition testimony in the record of salt water hauling companies regarding the potential use of the facility and the unavailability of other commercial disposal facilities within a 20 mile radius of the proposed well are not sufficient to establish a current general industry need for the proposed facility at the proposed location.
 - c. Executory contracts between WEC and salt water hauling companies regarding the potential use of the facility are not sufficient to establish a current general industry need for the proposed facility at the proposed location.

Substitute Conclusions of Law:

- 4. The applicant has not complied with the requirements for approval set forth in Statewide Rule 9 and the provisions of Sec. 27.051 of the Texas Water Code.
- 5. The use of the proposed disposal well is not in the public interest pursuant to Sec 27.051 of the Texas Water Code.

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.

This order will 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 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 the order is served on the parties.

Done this 29th day of May, 2008

	RAILROAD COMMISSION OF TEXAS
	Chairman Michael L. Williams
	Commissioner Victor G. Carrillo
ATTEST:	Commissioner Elizabeth A. Jones
Secretary	