

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

**OIL & GAS DOCKET NO. 01-0264721**

**APPLICATION OF 21<sup>ST</sup> FOX ENERGY TEXAS, INC., TO  
CONSIDER AN EXCEPTION TO STATEWIDE RULE 21  
TO ALLOW PRODUCTION BY SWABBING OF WELL  
NOS. 3, 4, 5, A2, A10, A12, B8 AND B10 ON THE  
KNOPP, EDNA MAE (06252) LEASE, TAYLOR-INA  
FIELD, MEDINA COUNTY, TEXAS**

**FINAL ORDER**

The Commission finds that, after statutory notice in the above-numbered docket, heard on May 10, 2010, the 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, 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 proposal for decision 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 21<sup>st</sup> Fox Energy Texas, Inc. to consider an exception to Statewide Rule 21 to allow it to produce by swabbing Well Nos. A2, A10, A12, B8 and B10 on the Knopp, Edna Mae (06252) Lease, Taylor-Ina Field, Medina County, Texas be and is hereby **DENIED**.

It is further **ORDERED** by the Railroad Commission of Texas that the application of 21<sup>st</sup> Fox Energy Texas, Inc. to consider an exception to Statewide Rule 21 to allow it to produce by swabbing Well Nos. 3,4, and 5 on the Knopp, Edna Mae (06252) Lease, Taylor-Ina Field, Medina County, Texas be and is hereby **APPROVED** subject to the following conditions:

**CONDITIONS**


1. **Wellhead Control.** All wells must remain equipped with wellhead control consistent with the requirements of Statewide Rule 13.
2. **On Lease Storage.** All fluids produced by swabbing must be transferred to the on-lease tank battery before any mobile swabbing unit leaves the lease.
3. **Production Reporting.** All hydrocarbons produced must be reported consistent with the requirements of Statewide Rule 58.
4. **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.
5. **Notification of Plugging.** 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 Texas Commission on Environmental Quality letter.
6. **Plugged Wells.** Should any wells on this lease 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.
7. **Permit Expiration.** This permit shall remain valid for as long as U. D. Man, Inc. is recognized as the operator of the Stockard (10864) Lease and is subject to revocation by the Commission for violations of Commission Rules. This permit is not transferrable.

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.

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 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 6th day of July, 2010.

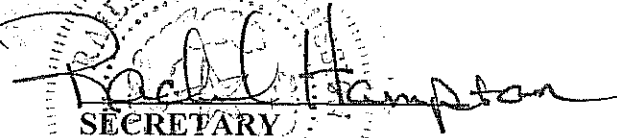
RAILROAD COMMISSION OF TEXAS

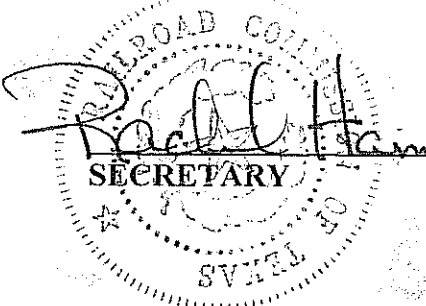
  
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CHAIRMAN VICTOR G. CARRILLO

  
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COMMISSIONER ELIZABETH A. JONES

  
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COMMISSIONER MICHAEL L. WILLIAMS

ATTEST:

  
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SECRETARY

The seal of the Railroad Commission of Texas is circular with a double border. The outer border contains the text "RAILROAD COMMISSION OF TEXAS" at the top and "1890" at the bottom. The inner border contains the text "RAILROAD COMMISSION OF TEXAS" at the top and "SECRETARY" at the bottom. A five-pointed star is located in the center of the seal.