

RAILROAD COMMISSION OF TEXAS

RULE 37 CASE No. 0204362 DISTRICT 10

AN APPLICATION BY SAMSON RESOURCES COMPANY FOR AN EXCEPTION TO
STATEWIDE RULE 37 TO DRILL WELL No. 3-39, FLOWERS LEASE, HEMPHILL
(GRANITE WASH) AND WILDCAT FIELDS, HEMPHILL COUNTY, TEXAS

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on March 17, 1994, 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 exceptions and replies thereto, declines to adopt the findings of fact and conclusions of law contained therein, and makes instead the following findings of fact and conclusions of law.

Findings of Fact

1. Notice of hearing was sent on February 24, 1994, 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 467 feet to Applicant's proposed well.
2. Applicant has applied on Form W-1 to drill Well No. 3-39 to the Hemphill (Granite Wash) and Wildcat Fields, at a location 330 from the east line and 330 feet from the south line of both the Flowers Lease and the DP Fearis #39 Survey, Abstract No. A-39. Proposed total depth is 10,900 feet.
3. The Applicant's evidence was that the original recoverable gas in place under the Flowers Lease in the Hemphill (Granite Wash) Field was 929 MMcf; as of the date of the application, Applicant's evidence is that 244 MMcf of gas was in place under the tract, the remainder having been drained away by offsetting wells.
4. Applicant's evidence is that a well at a regular location will recover about 365 MMcf of gas, while a well at the proposed location will recover about 525 MMcf of gas.
5. Applicant alleges that a well at a regular location would be uneconomic and that a well at the proposed location would earn a slight profit.

Conclusions of Law

1. Timely and legally sufficient notice was given to all persons legally entitled thereto.
2. Applicant properly filed Railroad Commission Form W-1.
3. The Railroad Commission has jurisdiction over the Applicant, the Protestants, and the subject matter of the application.
4. Because Applicant's own evidence is that a well at a regular location will recover more gas than is currently in place under the Flowers Lease, Applicant is not entitled to an exception to Statewide Rule 37 to prevent confiscation.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of Samson Resources Corporation to drill the captioned well is **DENIED**.

It is also **ORDERED** that the revised Findings of Fact Nos 4 through 7 and the revised Conclusion of Law No. 4 proposed by the Protestant in its exceptions are **DENIED**; all pending motions or requests for relief not previously granted or granted herein are also **DENIED**.

Done on May 23rd, 1994.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN

COMMISSIONER

COMMISSIONER

ATTEST:

Secretary