

**RAILROAD COMMISSION OF TEXAS
LEGAL DIVISION
OIL AND GAS SECTION**

**RULE 37 CASE NO. 0205972
DISTRICT 3**

**APPLICATION OF LAMAR OIL AND
GAS, INC. REGARDING THE RULE
37 EXCEPTION IN CASE NO.
0205972 FOR THE MACO STEWART
WELL NO. 31, HITCHCOCK FIELD,
GALVESTON COUNTY, TEXAS**

FINAL ORDER

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the examiners who have made and circulated a Proposal for Decision containing Findings of Fact and Conclusions of Law and such 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, 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 Nos. one (1) through five (5) and Conclusions of Law one (1) and two (2), contained in the Proposal for Decision, and incorporates said Findings of Fact and Conclusions of Law as if fully set out and separately stated herein.

In addition, the Commission adopts the following Findings of Fact and Conclusions of Law set forth below:

Findings of Fact:

6. Henron, in good faith, permitted the subject well in reliance on an agreement with the General Land Office containing a waiver of objection to the Maco Stewart Well No. 31.
7. The GLO and Henron intended the waiver to be effective for permitting the well from and after June 3, 1994.
8. Lamar had actual, prior knowledge of the waiver by the GLO before taking its oil and gas lease from the GLO.

Conclusions of Law:

3. Lamar is bound by an agreement executed by the GLO and Henron, whereby the GLO agreed to waive its protest of Henron's Rule 37 application.

4. The application filed by Henron for a Rule 37 exception for the Maco Stewart Well No. 31 met the requirements of Rule 37(h)(2)(B) for administrative approval.

IT IS ACCORDINGLY ORDERED THAT the complaint of Lamar Oil and Gas, Inc. regarding the Rule 37 exception in Case No. 0205972 for the Maco Stewart Well No. 31, Hitchcock (4530) Field, Galveston County, Texas, is hereby **DISMISSED**.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after it is actually mailed to the parties by the Commission; provided that if a motion for rehearing is filed by any party at interest within such 20-day period, this order shall not become final until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission.

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.

Noncompliance with the provisions of this order is subject to enforcement by the Attorney General and subject to civil penalties of up to \$10,000.00 per day per violation.

Done this _____ day of _____, 1995.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN

COMMISSIONER

COMMISSIONER

ATTEST:

SECRETARY