

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

RULE 37 CASE NO. 0206334

**RE: APPLICATION OF ENRON OIL &
GASCOMPANY FOR AN EXCEPTION
TO STATEWIDE RULE 37 TO DRILL
ITS NO. 17 WELL, FRANK REED 117
LEASE, SAWYER (CANYON) FIELD,
SUTTON COUNTY, TEXAS**

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on January 5, 1995 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, 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, and additional finding of fact No. 7(a) and conclusion of law No. 4 as herein contained, as if fully set out and separately stated herein.

Finding of Fact No. 7(a).

Applicant's estimated ultimate recovery for the applied-for well was not credible because it was based on a field-wide average which is substantially different from the average production from wells in the immediate vicinity of the Frank Reed Lease.

Conclusion of Law No. 4.

The Commission may consider economic factors in its determinations upon a proper showing.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of Enron Oil and Gas Company for a spacing exception permit under the provisions of Statewide Rule 37 and a permit to drill Well No. 17, Frank Reed Lease, containing 640 acres of land in the HE & WT RR Co. Survey, for the Sawyer (Canyon) Field, Sutton County, being 9 miles in a southern direction from Sonora, Texas, as shown by plat submitted is hereby **DENIED**; and applicant is **DENIED** permission to drill Well No. 17 at the requested location.

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.

It is further **ORDERED** by the Commission that this order shall not be final until 20 days after it is actually mailed to the parties by the Commission; provided that if a motion for rehearing of application 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.

Done this _____ day of _____, 19_____.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN

COMMISSIONER

COMMISSIONER

ATTEST:

SECRETARY