

RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
OIL & GAS SECTION

RULE 37 CASE NO. 0211773 AND OIL AND GAS DOCKET NO. 8A-0212101

APPLICATION OF FAGADAU ENERGY CORPORATION TO DRILL A WELL IN SECTION 22, BLOCK 31, T&P RR CO./N.B. CATHEY SURVEY, A-1080, WILDCAT, ROCKANHAMM (SPRABERRY, UP), GAIL, NORTH AND CLAYTON RANCH, N. (SPRABERRY) FIELDS, BORDEN COUNTY, TEXAS, CONSOLIDATED WITH COMPLAINT OF FAGADAU ENERGY CORPORATION AGAINST THE FIELD ASSIGNMENT AND DRILLING PERMIT FOR THE HAT OIL & GAS, INC. JOHNSON NO. 1 WELL, SECTION 22, BLOCK 31, T-6-N, T&P RR CO. SURVEY, BORDEN COUNTY, TEXAS

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on April 29 and 30, 1996, 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 Fagadau Energy Corporation for a lease-line spacing exception permit under the provisions of Statewide Rule 37 to drill a well 200 feet from the west line and 467 feet from the north line of both the Clayton-Johnson "22-B" Lease and the Clayton Ranch, N. (Spraberry) Field Unit for the Wildcat, Rockanhamm (Spraberry, Up), Gail, North and Clayton Ranch, N. (Spraberry) Fields in Section 22, Block 31, T&P RR Co./N.B. Cathey Survey, A-1080, Borden County, Texas be and is hereby **DENIED**.

It is further **ORDERED** by the Commission that the Complaint of Fagadau Energy Corporation against the field assignment and drilling permit for the HAT Oil & Gas, Inc. Johnson No. 1 Well in Section 22, Block 31, T-6-N, T&P RR Co./N.B. Cathey Survey, A-1080, Borden County, Texas, all as shown by plat submitted with the Application and Complaint, be and is hereby **DISMISSED**.

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 November, 1996.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN

COMMISSIONER

COMMISSIONER

ATTEST:

SECRETARY