

**RAILROAD COMMISSION OF TEXAS  
OFFICE OF GENERAL COUNSEL  
OIL AND GAS SECTION**

**RULE 37 CASE NO. 0213112  
DISTRICT 6E**

**APPLICATION OF SAMEDAN OIL  
CORPORATION FOR AN EXCEPTION  
TO STATEWIDE RULE 37 TO DRILL  
NO. 13, BOB WOOD LEASE, EAST  
TEXAS FIELD, GREGG COUNTY,  
TEXAS.**

**FINAL ORDER**

The Railroad Commission of Texas has received and docketed this application for a spacing exception permit under the provisions of Statewide Rule 37. After statutory notice and the presentation of evidence at a hearing held on August 12, 1996, the Commission makes the following Findings of Fact and Conclusions of Law:

**FINDINGS OF FACT**

1. At least ten (10) days' notice was given all offset operators, all affected adjacent lessees, and the mineral interest owners of each adjacent unleased tract.
2. On July 19, 1996, applicant Samedan Oil Corporation ("Samedan") filed Commission Form W-1 for a permit to drill Well No. 13, the eleventh well permitted for the East Texas Field on its 116.8 acre Bob Wood Lease at a location 490 feet from the west line of the lease and 730 feet from the north line of the lease. The Bob Woods Lease is on the eastern edge of the East Texas Field.
3. The proposed location is 490 feet from the nearest lease line but only 200 feet from the nearest well completed or permitted for the East Texas Field.
4. Field rules for the East Texas Field prescribe spacing 330 feet from lease lines, 660 feet from other East Texas Field wells, and a maximum density of 10 acres per well.
5. A Commission policy memorandum, titled "Rule 37 and Density Policy for East Texas Field Applications" and approved July 1, 1957, requires that additional wells on a field edge tract already containing at least one producing well must be located at least 233 feet from lease lines and 467 feet from the nearest producing well on the same tract. In addition, a maximum density of five productive acres per well is prescribed.

6. The Commission has previously found, in Rule 37 Case No. 0212121, that the Bob Wood Lease contains at least 58.885 productive East Texas Field acres.
7. A significant part of the surface of the Bob Wood Lease has been developed with improvements, which limit the practical drilling locations in the productive portion of the lease.
8. The leases adjacent to the Samedan Bob Wood Lease have been developed in the East Texas Field to densities of between 3.70 and 5.08 productive acres per well.
9. The density of development of Samedan's Bob Wood Lease is currently one well per 5.885 productive acres. The applied-for well would increase the well density on Samedan's Bob Wood Lease to one well per 5.35 productive acres.
10. No protest to the application was filed with the Commission. Applicant Samedan appeared at the scheduled hearing of this docket and offered evidence in support of its application. No person appeared in protest at the hearing.

#### **CONCLUSIONS OF LAW**

1. Proper notice of hearing was timely given to all persons legally entitled to notice.
2. All things have occurred and/or have been done to give the Commission jurisdiction over the Applicant and the subject matter of the application.
3. The proposed location is reasonable and will prevent confiscation.
4. Applicant has met the requirements of the Rule 37 and Density Policy for East Texas Field Applications Memo of July 1, 1957, to obtain an exception to Rule 37 in the East Texas Field.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the application of Samedan Oil Corporation for an exception to the provisions of Statewide Rule 37 to drill Well No. 13 on the 116.8-acre Bob Wood Lease, I.C. Skillern Survey, Abstract A-4, in the East Texas Field, Gregg County, one-half mile in a westerly direction from Longview, Texas, as shown by plat submitted by the applicant be and is hereby **APPROVED**; and applicant is granted permission to drill Well No. 13, which will be located as described, subject to the conditions listed below:

### LOCATION

490 feet FWL and 730 feet FNL of Samedan's Bob Wood Lease; and,  
490 feet FWL and 2880 feet FNL of the I.C. Skillern Survey, Abstract A-4.

### CONDITIONS

1. **Fresh Water Sand Protection.** The operator must set and cement sufficient surface casing to protect all usable-quality water as defined by the Texas Water Commission. Before drilling a well, the operator must obtain a letter from the Texas Water Commission stating the depth to which water needs protection. Write: Texas Water Commission, Surface Casing, P. O. Box 13087, Capitol Station, Austin, Texas 78711-3087. File a copy of the Water Commission letter with the appropriate district office.
2. **Permit at Drilling Site.** A copy of the Form W-1 (Drilling Permit Application), the location plat, a copy of Statewide Rule 13 alternate surface casing setting depth approval from the district office, if applicable, and this drilling permit must be kept at the permitted well site throughout the drilling operations.
3. **Notification of Setting Casing.** The operator MUST call in notification to the appropriate district office a minimum of eight (8) hours prior to the setting of surface casing, intermediate casing, AND production casing. The individual giving notification MUST be able to advise the district office of the docket number.
4. **Producing Well.** Statewide Rule 16 requires that the operator submit a Form W-2 (oil well) or Form G-1 (gas well) to the appropriate Commission district office within thirty (30) days after completion of such well. Completion of the well in a field authorized by this order voids the order for all other fields included in the order unless the operator indicates on the initial completion report that the well is to be a dual or multiple completion and promptly submits an application for multiple completion. All zones are required to be completed before the expiration date of this order.
5. **Dry or Noncommercial Hole.** Statewide Rule 14(b)(2) prohibits suspension of operations on each dry or noncommercial well without plugging unless the hole is cased and the casing is cemented in compliance with Commission rules. If properly cased, Statewide Rule 14(b)(2) requires that plugging operations must begin within a period of one (1) year after drilling or operations have ceased. Plugging operations must proceed with due diligence until completed. An extension to the one year plugging requirement may be granted under the provisions stated in Statewide Rule 14(b)(2).
6. **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.

7. **Notification of Plugging a Dry Hole.** 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 Water Commission letter.
8. **Plugged Wells.** Should this well 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.
9. **Permit Expiration.** This permit expires two (2) years from the date this order becomes administratively final, unless actual drilling operations have begun. The permit period will not be extended.

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 10th day of September, 1996.

**RAILROAD COMMISSION OF TEXAS**

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**CHAIRMAN**

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**COMMISSIONER**

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**COMMISSIONER**

ATTEST:

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SECRETARY