

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 01-0299602**

**IN THE TAYLOR-INA FIELD,
MEDINA COUNTY, TEXAS.**

FINAL ORDER

APPLICATION OF KLAEGER OPERATING COMPANY, LLC TO CONSIDER AN EXCEPTION TO STATEWIDE RULE 21 PERTAINING TO FIRE PREVENTION AND SWABBING OF THE SCHAUTTEET, R. (06112) LEASE, WELL NOS. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, & 13, TAYLOR-INA FIELD, MEDINA COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on April 11, 2016, the presiding Administrative Law Judge has made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; 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 examiner's report and recommendation, the findings of fact and conclusions of law contained therein, 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 Klaeger Operating Company, LLC for an exception to Statewide Rule 21 to allow production by swabbing of the following lease and wells;

1. the Schautteet, R. (06112) Lease, Well Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, & 13, Taylor-Ina Field, Medina County, Texas,

be and is hereby **APPROVED** subject to the following conditions:

CONDITIONS

1. Wellhead Control. All wells must remain equipped with wellhead control consistent with the requirements of Statewide Rule 13.
2. Production Reporting. All hydrocarbons produced must be reported consistent with the requirements of Statewide Rule 58.

3. 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.
4. Notification of plugging. 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 Texas Commission on Environmental Quality letter.
5. Plugged Wells. Should any wells on this lease 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.
6. Permit Expiration. This permit shall not expire so long as Klaeger Operating Company, LLC remains the operator of the applied-for wells on the applied-for lease. **This permit is not transferable.**

Done this 7th day of June, 2016.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed
by Hearings Divisions' Unprotected
Master Order dated June 7, 2016)**