

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NOS.

**03-0303454, 03-0303455, 03-0303456,
03-0303457, 03-0303459, 03-0303460,
03-0303461, 03-0303462, 03-0303463,
03-0303465, 03-0303466, 03-0303467,
03-0303468, 03-0303469, 03-0303470,
03-0303471, 03-0303472**

**APPLICATIONS OF RILEY
EXPLORATION OPG CO, LLC TO
CONSIDER AN EXCEPTION TO SWR
21 PERTAINING TO FIRE
PREVENTION AND SWABBING OF
VARIOUS WELLS, SERBIN (TAYLOR
SAND) FIELD, BASTROP AND LEE
COUNTIES, TEXAS**

FINAL ORDER

The Commission finds that proper statutory notice was given in the above-numbered dockets heard on March 25, 2017; that the proposed applications are in compliance with SWR 21; that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas; and the Commission hereby makes the following Findings of Fact and Conclusions of Law:

Findings of Fact

1. Riley Exploration OPG Co, LLC (Operator No. 712153), ("Riley"), seeks swabbing authority for seventeen (17) wells ("Wells") in the Serbin (Taylor Sand) Field, each specifically identified in Appendix A, Bastrop and Lee Counties, Texas.
2. For each docket number, at least ten days' notice of hearing was provided to all persons required. Riley appeared at the hearing and presented evidence in support of the application. No one appeared in protest.
3. Riley's Organization Status with the Commission is active. Riley initially filed a Commission Form P-5 *Organization Report* on February 25, 2013 and filed its most recent *Organization Report* on January 9, 2017.
4. Riley is currently the operator of record for all the Wells, as the Commission has approved Riley's Form P-4, *Producer's Transportation Authority and Certificate of Compliance*, filings for the Wells.
5. Riley submitted \$50,000 cash deposit and a \$250,000 bond as its current financial assurance at the Commission.
6. Riley has leases for each of the Wells allowing it the right to operate.

7. Riley owns swabbing units that will swab the Wells as appropriate.
8. All seventeen (17) wells are completed in the Serbin (Taylor Sand) Field.
9. Each of the Wells is cemented from total depth to the surface.
10. Each of the Wells is equipped with wellhead control sufficient to prevent releases.
11. An exception to produce the Wells by swabbing is necessary to prevent waste. Production of the Wells by pumping is not economical, whereas production of the Wells by swabbing is economical.
12. All swabbed oil is piped directly from the Wells to the on-lease tank batteries.
13. The Wells do not produce sour gas.
14. Riley has no history of outstanding violations of Commission rules and there are no Commission holds on leases where the Wells are located.

Conclusions of Law

1. Proper notice of hearing was timely given to all persons legally entitled to notice.
2. All things have occurred to give the Commission jurisdiction to decide this matter.
3. Riley's applications satisfy the mandatory requirements for an exception to SWR 21 to produce the Wells by swabbing:
 - a. Riley provided evidence of the method of production.
 - b. There will be proper accounting for all production.
 - c. An exception to produce the Wells by swabbing is necessary to prevent waste.
 - d. The wellhead control for each well is sufficient to prevent releases.
 - e. No pollution to usable quality water or safety hazard will result from the proposed production method or the condition of the Wells.
 - f. Riley possesses a continuing good faith claim to operate the Wells.

4. In addition to meeting all of the requirements in SWR 21, consideration of the discretionary factors in SWR 21 favors Riley obtaining authorization to produce by swabbing.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the applications of Riley Exploration OPG Co, LLC for an exception to SWR 21 to allow production by swabbing of the wells identified in Appendix A attached to this order be and are hereby **APPROVED** subject to the following conditions:

CONDITIONS

1. **Wellhead Control.** - All wells must remain equipped with wellhead control consistent with the requirements of SWR 13;
2. **Production Reporting** - All hydrocarbons produced must be reported consistent with the requirements of SWR 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;
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; and
6. **Permit Expiration.** - This permit shall not expire so long as Riley Exploration OPG Co, LLC remains the operator of the applied-for wells on the applied-for lease. **This permit is not transferable.**

It is further **ORDERED** by the Commission that this Order shall be given immediate effect pursuant to §1.147 of the General Rules of Practice and Procedure of the Railroad Commission of Texas.

Done this 25th day of April, 2017.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Divisions' Unprotested Master Order
dated April 25, 2017)**

Appendix A

Docket No.	Lease Name & Well No.	Lease No.
03-0303454	Moore, Randall #1	19613
03-0303455	Peters #8	20537
03-0303456	Steinbach #1	19648
03-0303457	Arltd "B" # B2	20047
03-0303459	Arltd "C" # C3	20187
03-0303460	Bell, Carol #2	19324
03-0303461	Carter, Gertrude (Trudy) #1	140439
03-0303462	Durrenberger, Clarence #1	19333
03-0303463	Kasper #1	20134
03-0303465	Oltman, W.C. #3	19645
03-0303466	Nitsche, R.J. #2	20417
03-0303467	S&M Energy Moerbe #2	19521
03-0303468	S&M Energy Spretz A #2	20588
03-0303469	Summers Trust #1	20250
03-0300370	Urban #1	19723
03-0300371	Weise "C" #3	20400
03-0300372	Weise "D" #4	20442