

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

ARTHUR H. BARBECK
Chief Engineer



AUSTIN, TEXAS

August 5, 1969

COMMISSIONERS
BEN RAMSEY
Chairman
BYRON TUNNELL
JIM C. LANGDON
FRED OSBORNE, Secretary

MEMORANDUM TO THE COMMISSION:

DOCKET NO. 6-59,433

RE:

Commission called hearing
pertaining to the plugging of
the James T. Smith, Lilly Morse
Wells 5 and 8, East Texas Field,
Rusk County, Texas

DATE OF HEARING:

June 27, 1969

APPEARANCES:

Sam B. Cobb, Jr., L. A.
Dean, and James Owen for James
T. Smith; Frank Douglass for
Humble Oil & Refining Co.;
Stanley Hornsby and C. F.
Kalteyer for Gulf Oil Corp.

This was one of several hearings called by the Commission to determine whether or not certain wells in the East Texas Field enjoined from production by final court order should be required to be plugged.

These wells were 2 of 8 wells drilled on a 4.22 acre tract. Six of the wells are currently carried on the proration schedule as 20 barrel wells, with the No. 1 well assigned an additional 6 barrel PSWA allowable, and the No. 2 well assigned a 4 barrel PSWA allowable.

Well No. 5 was initially granted to James T. Smith on a 3.45 acre tract by permit dated November 23, 1937, and well No. 8 was granted to W. L. Allen as well No. 2 on a 2 acre tract offsetting the Smith lease in 1937. Since that time, the two leases have been consolidated, and the tract is currently carried as a 4.22 acre tract with 6 wells and 2 court order wells.

At this hearing, the operator of the lease requested that the wells not only not be required to be plugged, but that the operator be permitted to test the 2 wells for a period of 90 days, to determine whether or not it would be desirable to seek authority to use one or both of them as substitute wells for wells now producing, and which make up to 90% water.

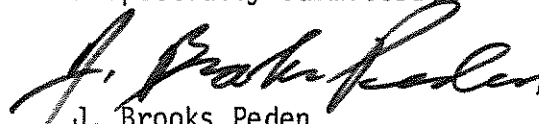
Protestant, Gulf Oil Corporation, asks an immediate order for the plugging of the two wells.

Protestant, Humble Oil & Refining Company, states that it has no objection to an order requiring the wells to be plugged, but joins with protestant, Gulf, in insisting that testing not be authorized in such a way as to increase the allowable production from the lease.

All parties agree that an additional hearing would be required before use of either of the wells as replacement wells would be authorized.

It is the recommendation of the writer that the operator be given a period of time, not to exceed 60 days, within which to either file an application for use of the wells as substitute wells, or an intent to plug form. This would permit the Commission to rule on whether or not it would grant use of either or both of the wells as substitute wells prior to the conducting of any tests on such wells, and if after testing, the wells are not suitable for use under authorization granted, if it is granted, the wells would be required to be plugged.

Respectfully submitted,



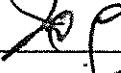



J. Brooks Peden
Senior Legal Examiner

JBP:da

RECOMMENDATION APPROVED:

RECOMMENDATION DENIED:

	Chief Engineer	_____
	Chairman	_____
	Commissioner	_____
	Commissioner	_____

DCA _____

EFFECTIVE _____