

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NOS.**

**01-0311210, 01-0311211, 01-0311225,  
01-0311226, 01-0311227, 01-0311228,  
01-0311229, 01-0311230, 01-0311231,  
01-0311253, 01-0311254, 01-0311255,  
01-0311256, 01-0311257, 01-0311258**

**APPLICATIONS OF OILTEX, LLC  
(621006) TO CONSIDER AN  
EXCEPTION TO STATEWIDE RULE 21  
FOR THE LEASES IDENTIFIED IN  
APPENDIX A, VARIOUS FIELDS,  
CALDWELL AND GUADALUPE  
COUNTIES, TEXAS**

**FINAL ORDER**

The Commission finds that proper statutory notice was given in the above-numbered dockets heard on November 16, 2018; that the proposed applications are in compliance with Statewide Rule 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. OilTex, LLC (Operator No. 621006), ("OilTex"), seeks swabbing authority for 82 (eighty-two) wells ("Wells") in the Buchanan, Dunlap, Luling-Branyon, Salt Flat, Slat Flat West, and Spiller Fields, each specifically identified in Appendix A, Caldwell and Guadalupe Counties.
2. For each docket number, at least ten (10) days' notice of the hearing was provided to all persons required. In addition to mailing notice, notice was also published for four consecutive weeks in a periodical of general circulation for Caldwell and Guadalupe Counties. OilTex appeared at the hearing and presented evidence in support of the applications. No one appeared in protest.
3. OilTex's Organization status with the Commission is active. OilTex filed its most recent organization report with the Commission on May 18, 2018. OilTex's first filed P-5 Organization Report with the Commission was effective June 1, 2017. Silverio Sierra is identified as a Member of OilTex.
4. The Commission's "On Schedule Leases, Wells, Wellbores by Operator" record indicate that as of November 16, 2018, OilTex was the operator of 82 wells, with a combined total depth of 186,947 feet.
5. OilTex has on file with the Commission blanket financial assurance pursuant to Texas Natural Resources Code §91.1042 and Statewide Rule 78(g)(1)(B) in the

form of a \$50,000 bond, the minimum amount required based on the number of wells OilTex operates.

6. OilTex is currently the operator of record for all the subject Wells, as the Commission has approved OilTex's Form P-4 *Producer's Transportation Authority and Certificate of Compliance* filings for the Wells, effective June 1, 2017.
7. OilTex has a good faith claim right to operate the Wells.
8. The granting of the requested exceptions to Statewide Rule 21 will enable OilTex to produce hydrocarbons that otherwise would not likely be recovered.
9. An exception to produce the Wells by swabbing is necessary to prevent waste.
10. All of the applied-for Wells are cemented to surface.
11. Granting of the requested exceptions to Statewide Rule 21 will not result in pollution of usable quality water or a safety hazard.
12. OilTex has no history of outstanding violations of Commission rules and there are no Commission holds on the leases where the Wells are located.

### **Conclusions of Law**

1. Proper notice of hearing was timely given to all persons entitled to notice. 16 Tex. Admin. Code §§ 1.42, 1.43, and 3.21.
2. All things have occurred to give the Commission jurisdiction to decide this matter. Tex. Nat. Res. Code § 81.051.
3. OilTex's applications satisfy the mandatory requirements for an exception to Statewide Rule 21 to produce the Wells by swabbing. 16 Tex. Admin. Code § 3.21.
4. In addition to meeting all the requirements for Statewide Rule 21, consideration of discretionary factors in Statewide Rule 21 favors OilTex obtaining authorization to produce by swabbing. 16 Tex. Admin. Code § 3.21.
5. Pursuant to §2001.144(a)(4) of the Texas Government Code, and the consent of the applicant on the record, this Final Order is effective when a Master Order relating to this Final Order is signed on April 9, 2019.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the applications of OilTex, LLC for an exception to Statewide Rule 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 Statewide Rule 13. 16 Tex. Admin. Code § 3.13.
2. Production Reporting. All hydrocarbons produced must be reported consistent with the requirements of Statewide Rule 58. 16 Tex. Admin. Code § 3.58.
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. 16 Tex. Admin. Code § 3.14.
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. 16 Tex. Admin. Code § 3.14.
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 **OilTex, LLC** remains the operator of the applied-for wells on the applied-for leases. **This permit is not transferable.**

## RAILROAD COMMISSION OF TEXAS

**(Order entered, and signatures affixed by Hearings Divisions' Unprotested Master Order dated April 9, 2019)**

### Appendix A

Docket No.	Lease Name	Lease ID	Well No(s).	Field	No. of Wells
01-0311210	Alexander	03612	1, 1A, 4, and B 1	Buchanan	4
01-0311211	Bandy	10044	1, 2, 3, and 4	Luling-Branyon	4
01-0311225	Northcutt, J. B. -A-	04143	1, 2, 3, 4, and 5	Salt Flat	5
01-0311226	Terrell, H. A.	03942	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, and 14	Luling-Branyon	14
01-0311227	Moses, I. E. -A-	01452	2, 3, 4, and 6	Salt Flat	4
01-0311228	Hoke	03606	1,2,3,4,6, and 7	Spiller	6
01-0311229	Reed -A-	10174	1	Salt Flat, West	1
01-0311230	Reed, N.W.	07501	1CC, 3CC, 4BB, 4CC, 4EE, T 2, and T 4	Salt Flat, West	7
01-0311231	Tiller, J. R. -C-	01486	2 and 3	Salt Flat	2
01-0311253	Tiller, Floyd -A-	01488	1, 3, 4, and 6	Salt Flat	4
01-0311254	Tiller, J. B.	01443	1, 2, 3, and 4	Salt Flat	4
01-0311255	Walker -C-	07419	1 and 2	Dunlap	2
01-0311256	Walker, W.B.	11824	1A, 2A, 3, 3A, 4A, and 5A	Salt Flat	6
01-0311257	Walker, C.R.	11918	1, 2, 3, 4, 5, 6, 7, 9, 10 and 11	Salt Flat	10
01-0311258	Wright, J. D.	01476	1, 2, 3, 4, 5, 6, 7R, 8, and 9	Salt Flat	9
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