

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 01-0311261

APPLICATION OF STAR OIL, LLC (815102) TO CONSIDER AN EXCEPTION TO STATEWIDE RULE 21 FOR THE BUFKIN, JAMES T. (06109) LEASE, WELL NOS. 1, 2,3,4, AND 5D, TENNEY CREEK FIELD, CALDWELL COUNTY, TEXAS

OIL AND GAS DOCKET NO. 01-0311259

APPLICATION OF STAR OIL, LLC (815102) TO CONSIDER AN EXCEPTION TO STATEWIDE RULE 21 FOR THE TILLER, FLOYD (02968) LEASE, WELL NOS. 1,2, AND 3, SALT FLAT FIELD, CALDWELL COUNTY, TEXAS

OIL AND GAS DOCKET NO. 01-0311264

APPLICATION OF STAR OIL, LLC (815102) TO CONSIDER AN EXCEPTION TO STATEWIDE RULE 21 FOR THE REED -AA- (10183) LEASE, WELL NOS. 2 AND 3, SALT FLAT, WEST FIELD, 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. Star Oil, LLC (Operator No. 815102), ("Star Oil"), seeks swabbing authority for 10 (ten) wells ("Wells") in the Tenney Creek, Salt Flat, and Slat Flat West Fields, 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. Star Oil appeared at the hearing and presented evidence in support of the applications. No one appeared in protest.
3. Star Oil's Organization status with the Commission is active. Star Oil filed its most recent organization report with the Commission on May 17, 2018. Star Oil's first filed P-5 Organization Report with the Commission was effective June 2, 2017. Silverio Sierra is identified as a Member of Star Oil.

4. The Commission's "On Schedule Leases, Wells, Wellbores by Operator" record indicate that as of November 16, 2018, Star Oil was the operator of 10 wells, with a combined total depth of 26,916 feet.
5. Star Oil 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.
6. Star Oil is currently the operator of record for all the subject Wells, as the Commission has approved Star Oil's Form P-4 *Producer's Transportation Authority and Certificate of Compliance* filings for the Wells, effective June 1, 2017.
7. Star Oil has a good faith claim right to operate the Wells.
8. The granting of the requested exceptions to Statewide Rule 21 will enable Star Oil 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. Star Oil 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. Star Oil'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 Star Oil 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 Star Oil, LLC for an exception to Statewide Rule 21 to allow production by swabbing of the wells on the Bufkin, James T. (06109) Lease; Tiller, Floyd (02968) Lease, and Reed -AA- Lease 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 **Star Oil, 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)