

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 03-0323681

APPLICATION OF OXXN (OPERATOR NO. 630579) FOR DISSOLUTION OF A 245.34 ACRE POOLED UNIT KNOWN AS THE STRAND ENERGY, L.C. CHAPMAN "A" GAS UNIT, WELL NO. 3, CHAPMAN (WILCOX 9890) FIELD, WALLER COUNTY, TEXAS

FINAL ORDER

The Railroad Commission of Texas ("Commission") finds that after notice in the above-docketed case was provided to all parties entitled to notice, a hearing was heard on December 2, 2019 by a Commission Administrative Law Judge and Technical Examiner. This proceeding was duly submitted to the Commission at a conference held in its offices in Austin, Texas. After considering this matter, the Commission adopts the following findings of fact and conclusions of law.

Findings of Fact

1. On October 21, 2019, OXXN, Operator No. 630579, requested a hearing to dissolve a 245.34-acre pooled unit known as the Strand Energy, L.C. Chapman "A" Gas Unit, Well No. 3, Chapman (Wilcox 9890) Field, Waller County, Texas ("Unit").
2. On the date the request for hearing was filed, OXXN provided a list of the names and addresses of all known current lessees and unleased mineral interest owners of each tract within the Unit.
3. On November 19, 2019, the Hearings Division of the Commission sent a Notice of Hearing to OXXN, and all known current lessees and unleased mineral interest owners of the Unit of the hearing date of December 2, 2019.
4. At least ten days' notice of an opportunity for hearing was given to all lessees, unleased mineral interest owners, and OXXN. The Notice contains (1) a statement of the time, place, and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be held; (3) a reference to the particular sections of the statutes and rules involved; and (4) a short and plain statement of the matters asserted. The hearing was held on December 2, 2019 as noticed.
5. OXXN appeared and participated at the hearing. No one appeared in protest. No protest was filed, and a waiver of protest was provided by one of the mineral owners.

6. The Unit was formed by Strand Energy L. C. by Form P-12 and Form W-1 submitted to the Commission dated January 15, 2004. A drilling permit was issued on October 22, 2003.
7. The Unit consisted of 5 tracts ranging from 13.14 acres to 70.33 acres, aggregating the 245.34 acres.
8. The Unit, Well No. 3 ceased producing in September 2017 and new leases were obtained by the applicant for purposes of forming a new Chapman "A" Unit consisting of 40 acres.
9. OXXN seeks to dissolve the Unit in order to form a new 40-acre unit and recomplete the Chapman "A" Gas Unit Well No. 3 in the Chapman (Wilcox 9890) Field in Waller County, Texas.
10. Dissolution of the Unit will return all tracts in the unit to their former size and shape. The new Chapman "A" Unit will be a 40-acre unit consistent with the density provisions of Statewide Rule 38 which is applicable to the Chapman (Wilcox) Field.
11. Dissolution of the Unit will result in the formation of a 13.14-acre unit. The 13.14-acre unit is part of a larger 1221.8-acre tract.
12. At the hearing, OXXN agreed on the record that the Final Order in this docketed case is to be final and effective when a Master Order relating to this Final Order is signed.

Conclusions of Law

1. Proper notice was timely issued to persons entitled to notice. See, e.g., Tex. Gov't Code § 2001.051; 16 Tex. Admin. Code §§ 1.42, 1.45.
2. The Commission has jurisdiction in this case. See, e.g., Tex. Nat. Res. Code § 81.051.
3. OXXN's application complies with all requirements for dissolution of the Unit. See 16 Tex. Admin. Code § 3.38(d)(3).
4. Granting the application will not violate the density restrictions of Statewide Rule 38 or other Commission rules. See 16 Tex. Admin. Code § 3.38(d)(3).
5. Pursuant to the provisions of Texas Government Code § 2001.144(a)(4)(A), this Final Order can be final and effective on the date a Master Order relating to this Final Order is signed.

Ordering Provisions

It is **ORDERED** that the application of OXXN for dissolution of the 245.34-acre Chapman "A" Gas Unit pursuant to the provisions of Statewide Rule 38(d)(3) is **APPROVED** and the Unit is **DISSOLVED**.

All pending motions and requests for relief not previously granted or granted herein are denied.

Pursuant to §2001.114(a)(4)(A) of the Texas Government Code and by agreement of the parties in writing or on the record, **the parties have waived the right to file a motion for rehearing and this Final Order is final and effective on the date it is signed.**

Signed on February 11, 2020

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures
affixed by Hearings Division's
Unprotested Master Order dated
February 11, 2020)**