

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
HEARINGS SECTION**

OIL & GAS DOCKET NO. 03-0251941

APPLICATION OF GROVER R. DAVIDSON FOR A REDUCTION IN THE FINANCIAL ASSURANCE REQUIRED BY STATEWIDE RULE 78 FOR THE FLOYD, B. M. "B" (19205) LEASE, WELL NOS. 1A, 2L, AND 3J, BOLING FIELD, WHARTON COUNTY, TEXAS

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on June 18, 2007, the examiner has made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record, and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the proposal for decision and the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts as its own the findings of fact contained therein, and incorporates said findings of fact as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that Grover R. Davidson shall be permitted to renew his Form P-5 organization report for the March 1, 2007, through February 29, 2008, renewal year by filing financial assurance in the amount required by Statewide Rule 78(g)(1), subject to the following conditions:

CONDITIONS

1. Within 30 days of the date on which this order becomes administratively final, Grover R. Davidson shall file the financial assurance in the amount required by Statewide Rule 78(g)(1) and make such other filings as may be necessary to renew his organization report for the period March 1, 2007, through February 29, 2008.
2. In the event Grover R. Davidson does not, within 30 days of the date on which this order becomes administratively final, file at a minimum the financial assurance required by Statewide Rule 78(g)(1) and renew his organization report for the period March 1, 2007, through February 29, 2008, the P-4 certificates of compliance for all leases operated by Grover R. Davidson shall be canceled and their pipeline or other carrier connections shall be severed.
3. Grover R. Davidson shall plug the Floyd, B. M. "B" (19205) Lease, Well No. 1A (API #481 32363), Well No. 2L (API #481 32362), and Well No. 3J (API #481 32379), Boling Field, Wharton County, Texas, if prior to February 29, 2007, waters are removed from around such wells, the removal of waters is only temporary, and the wells can be plugged by conventional land-based methods, as determined by the Commission's Field Operations Section.

4. This order shall not apply to the amount of financial assurance required of Grover R. Davidson to renew his organization report on March 1, 2008.

Each exception to the examiner's proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the parties are notified of the order.

Done this ____ day of _____, 2007.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN MICHAEL L. WILLIAMS

COMMISSIONER VICTOR G. CARRILLO

COMMISSIONER ELIZABETH A. JONES

ATTEST:

SECRETARY