

RULE 37/38 CASE NO. 0249939
District 06

APPLICATION OF HOWELL OIL & GAS, INC., FOR EXCEPTIONS TO STATEWIDE RULES 37 AND 38 TO DRILL THE ST. JOHN BAPTIST CHURCH LEASE, WELL NO. 1, CARTHAGE, NORTH (COTTON VALLEY), BETHANY (TRAVIS PEAK CONS.), BETHANY (PETTIT 6170), AND WILDCAT FIELDS, HARRISON COUNTY, TEXAS

APPEARANCES:

FOR APPLICANT:

Rex H. White, Jr.
James White
Carol Shiels
Steve Howell

APPLICANT:

Howell Oil & Gas, Inc.

FOR PROTESTANT:

Lloyd Muennink
Timothy Benton

PROTESTANT:

GMX Resources, Inc.

PROPOSAL FOR DECISION

PROCEDURAL HISTORY

DATE APPLICATION FILED:

December 11, 2006

DATE OF NOTICE OF HEARING:

February 28, 2007

DATE OF HEARING:

March 20, 2007

HEARD BY:

James M. Doherty, Hearings
Examiner

Thomas Richter, Technical Examiner

DATE TRANSCRIPT RECEIVED:

March 26, 2007

DATE PFD CIRCULATED:

April 24, 2007

STATEMENT OF THE CASE

Howell Oil & Gas, Inc. (“Howell”) seeks exceptions to Statewide Rules 37 and 38 to drill Well No. 1 on the 26.35 acre St. John Baptist Church Lease (“St. John Lease”) in the Carthage, North (Cotton Valley), Bethany (Travis Peak Cons.), Bethany (Pettit 6170), and Wildcat Fields, Hope, H. S. Survey, A-325, and Mastam S. Ussery Survey, A-722, Harrison County, Texas. The proposed well will be drilled to a total depth of 12,500', and will be the first well on the St. John Lease.

The proposed well will be drilled directionally from an off-lease surface location 651' from the east line and 140' from the south line of the Hope, H. S. Survey, A-325, to a bottom hole location 300' from the southwest line and 398' from the south line of the St. John Lease and 370' from the westerly west line and 3,450' from the westerly north line of the Mastam S. Ussery Survey, A-722. A plat depicting the St. John Lease and proposed well location is attached to this proposal for decision as Appendix 1.

Well spacing rules applicable to all of the subject fields provide for 467' lease line spacing. The Carthage, North (Cotton Valley) Field has a density rule providing for standard 40 acre and optional 20 acre units. The remainder of the requested fields are subject to rules providing for 40 acre units. The discovery dates for the subject fields (other than Wildcat) are as follows: Carthage, North (Cotton Valley) Field - November 18, 1981; Bethany (Travis Peak Cons.) - May 12, 1998; Bethany (Pettit 6170) Field - May 1, 1967.

The application is opposed by GMX Resources, Inc. (“GMX”). The plat associated with the Form W-1 filed by Howell shows that GMX is the operator of tracts which immediately offset the eastern side of the St. John Lease to the east, north, and south. This plat shows that the proposed well location is 370' from the GMX acreage to the east, 398' from the GMX acreage to the north, and 398' from the GMX acreage to the south. The plat shows also that the proposed well location is 1,195' from the GMX Underwood No. 1 well to the southeast.

POSITIONS OF THE PARTIES

Howell believes that the requested exceptions are necessary to prevent the waste of hydrocarbons. Howell also asserts that the St. John Lease is a substandard tract which is a legal subdivision entitled to a first well as a matter of right to prevent legal confiscation and the proposed well location is reasonable.

GMX asserts that: (1) the St. John Lease is a voluntary subdivision not entitled to the requested exceptions based on confiscation; (2) even if the lease is a legal subdivision, the proposed well location is not reasonable because it is not in the geometric center of the lease; and (3) the requested exceptions are not necessary to prevent waste because a well drilled at a regular location on offset tracts will recover hydrocarbons under the St. John Lease.

DISCUSSION OF THE EVIDENCE

Howell

The 26.35 acre St. John Lease is composed of three parcels of land deeded to St. John Baptist Church at different times. The first purchase of three acres was made by the Church in 1881. In 1897, the Church purchased ten adjoining acres. The bottom hole of Howell's proposed well will be located on this 13 acres. In 1990, the Church purchased another 13.35 acres adjoining the original 13 acres to the west. This adjoining 13.35 acres had taken its size and shape in 1975. Howell took an oil and gas lease of the entire 26.35 acres on September 29, 2005. The 26.35 acre St. John Lease is irregularly configured, and there is no location on the Lease which is 467' from all lease lines.

Howell presented a location map of completions and permits in the Carthage, North (Cotton Valley) Field in the area of the St. John Lease. The orientation of the producing trend in the Carthage, North (Cotton Valley) Field is northwest to southeast. Regional dip in the field is down dip to the west and up dip to the east. The discovery well for the field was the Sun Blocker Heirs No. 1 drilled in 1981, about one mile south of Howell's proposed well location. The defined interval for the Carthage, North (Cotton Valley) Field is the entire Cotton Valley section between the base of the Cotton Valley B Lime at 8,600' on the log of the Blocker Heirs No. 1, and the base of the Lower Taylor at about 9,968' as seen on the log. The Upper Cotton Valley is much more lenticular and stratigraphically controlled than is the Lower Cotton Valley. Howell's geology and engineering expert believes that completions in the Lower Cotton Valley are a function of whether there is any porosity at all and whether a good frac can be obtained. The only operators of producing wells in this field in the area of the St. John Lease are GMX and Penn Virginia Oil & Gas Corp.

The nearest Carthage, North (Cotton Valley) well for which a log was available to Howell is the Blocker Heirs No. 1. Howell's expert calculated an EUR for this well from the Lower Cotton Valley of .75 BCF and from the Upper Cotton Valley of .81 BCF, and based on this, concluded that a well producing from both the Upper and Lower Cotton Valley that drains 40 acres should be expected to recover 1.56 BCF. The GMX Underwood No. 1 well, which is the closest Carthage, North (Cotton Valley) well to Howell's proposed well location, has cumulative production of 752 MMCF of gas and 4,279 barrels of oil since 2005. From a straight line decline curve analysis, Howell's expert calculated an EUR for the Underwood No. 1 of .996 BCF. Thus, this expert concluded that the Underwood No. 1 is draining significantly less than 40 acres in the Upper Cotton Valley and less than 60 acres in the Lower Cotton Valley.¹ Based on the location of the Underwood No. 1, Howell's expert believes that this well will not drain any hydrocarbons in the Carthage, North (Cotton Valley) Field from beneath Howell's St. John Lease, and there is no other existing well that will recover these hydrocarbons.

¹ Howell's expert conceded that Cotton Valley wells have hyperbolic decline, so that use of a straight line decline curve may not accurately predict the EUR of such wells, but asserted that use of hyperbolic decline would result in a lesser EUR for the Underwood No. 1.

Howell also presented a location map of completions and permits in the Bethany (Travis Peak Cons.) Field in the area of the St. John Lease. There are no completions in this field within 3,000' of Howell's proposed well location. The closest producing well in this field appears to be the GMX McIntosh No. 1U which is 5,000' - 6,000' away. GMX and Penn Virginia Oil & Gas LP are the only operators of wells in this field in the area of the St. John Lease. A number of permits for the Bethany (Travis Peak Cons.) Field have been granted for nearby wells, but there have been no nearby completions in the field to date. Howell's expert believes that the Bethany (Travis Peak Cons.) Field could be encountered in a well at Howell's proposed location. A structure map contoured on the base of the Ferry Lake Anhydrite shows regional dip to the northwest, similar to the Cotton Valley.

The best well in the Bethany (Travis Peak Cons.) Field, at least in the area of the St. John Lease, is the GMX Sanders Moore No. 2, about two miles to the east, that produced 472 MMCF. This well is now inactive. Howell's expert calculated a drainage area for this well of 71 acres. Assuming radial drainage, the drainage radius for the well was 992'. Howell's expert thus concluded that there is no existing well that will drain reserves in the Bethany (Travis Peak Cons.) Field from beneath the St. John Lease.

Howell also presented a location map of completions and permits in the Bethany (Pettit 6170) Field in the area of the St. John Lease. The only operators of completions in this field in the area of the St. John Lease are GMX, Maurice L. Brown Company, Jack L. Phillips Co., and Winchester Production Co. The completion in this field which is closest to Howell's proposed well location appears to be the GMX Annie Perry GU No. 1U, about 2 miles to the southeast, a well that apparently did not produce anything from the field. Howell's expert believes that a well drilled at Howell's proposed location likely will encounter this field.

The best well in the Bethany (Pettit 6170) Field, in the area of the St. John Lease, was the Winchester Granbury Heirs No. 1, which last produced in April 2006. This well is located a little more than six miles to the northeast of Howell's proposed location, and produced 385,157 MCF of gas. Howell's expert calculated a drainage area for this well of 53 acres. There is no existing well, or permitted well, that will drain reserves in the Bethany (Pettit 6170) Field from beneath the St. John Lease.

Because there is no existing well that will drain hydrocarbons in any of the requested fields from beneath the St. John Lease, Howell's expert believes that these hydrocarbons will be wasted unless Howell is permitted to drill the proposed well. Assuming 20 acre drainage, a well drilled at a regular location on offset leases would not drain hydrocarbons from the subject fields beneath the St. John Lease. However, assuming 40 acre drainage, a well drilled at a regular location on offset leases 467' from Howell's lease line would drain the St. John Lease.

Howell believes that its proposed well location is reasonable because it is centered in the

portion of Howell's lease that allows the location to be most distant from all surrounding lease lines. Moving the location to the west would be moving down dip and further away from the only nearby well control in the Carthage, North (Cotton Valley) Field, the GMX Underwood No. 1. Centering the well location east to west on the irregularly shaped St. John Lease would place the location only about 233.5' from offsetting leases to the north and south.

GMX

GMX believes that Howell's proposed well is not necessary to prevent the waste of hydrocarbons. The Sanders Moore No. 2U, referenced in the testimony of Howell's expert, produced from both the Pettit and Travis Peak. This well is about one mile east of Howell's proposed location. GMX's petroleum engineer calculated an EUR for the Sanders Moore No. 2U of 1,073 MMCF, and calculated a drainage area for the well of 146 acres. He believes that a well drilled at a regular location on offset leases 467' from Howell's lease line would drain reserves beneath the St. John Lease in the Bethany (Pettit 6170) Field.

The Frank Green No. 1 well, a Travis Peak producer about one mile to the northeast of Howell's proposed location, started producing in 1959 and produced 1,861 MMCF before the well was plugged. GMX's expert calculated a drainage area for this well of 206 acres. The Hancock No. 1 well, another Travis Peak producer located a little more than one mile to the southeast of Howell's proposed location, has a calculated EUR of 1,047 MMCF and a calculated drainage area of 251 acres, according to GMX's petroleum engineer. GMX's expert believes that a well drilled at a regular location on offset leases 467' from Howell's lease line would drain reserves beneath the St. John Lease in the Bethany (Travis Peak Cons.) Field.

The GMX Underwood No. 1 is the closest Cotton Valley producer to Howell's proposed location, being 1,195' away. When completed in the Stroud member of the Upper Cotton Valley, this well initially produced 4,000,000 cubic feet of gas per day. GMX's expert calculated a drainage area for this well of 78 acres and a drainage radius of 1,040', assuming radial drainage. Hypothetically, this well is draining gas from the eastern side of the St. John Lease. GMX's expert believes that a well drilled at a regular location on offset leases 467' from Howell's lease line would drain hydrocarbons beneath the St. John Lease in the Stroud member of the Upper Cotton Valley.

The Harrison BS No. 2 well is a producer from the Taylor member of the Lower Cotton Valley. This well is located 4-5 miles northwest of Howell's proposed location. GMX's expert calculated a drainage area for this well of 52 acres and believes that a well drilled at a regular location on offset leases 467' from Howell's lease line would drain Cotton Valley reserves from beneath the St. John Lease.

GMX believes that Howell's proposed location is not reasonable, because rather than placing the location in the center of the St. John Lease east to west, Howell has placed the location on the

eastern side of its lease in order to get closer to the best Cotton Valley well in the area, the GMX Underwood No. 1. GMX believes that the exceptions requested by Howell should be denied because drilling of Howell's proposed well is not necessary to prevent the waste of hydrocarbons, in that wells drilled on offset leases at regular locations 467' from Howell's lease line can recover hydrocarbons in the requested fields beneath the St. John Lease.

EXAMINERS' OPINION

The examiners are of the opinion that Howell did not prove that the requested exceptions are necessary to prevent waste, but a Rule 37 exception should be granted for the proposed well as necessary to prevent confiscation.

An applicant seeking an exception to Rule 37 and/or Rule 38 based on waste must show that: (1) unusual conditions, different from conditions in adjacent parts of the field, exist under the tract for which the exception is sought; (2) as a result of these unusual conditions, hydrocarbons will be recovered by the well for which the exception is sought that would not be recovered by any existing well or by an additional well drilled at a regular location; and (3) the amount of otherwise unrecoverable hydrocarbons is substantial.

Howell did not prove that the requested exceptions are necessary to prevent waste because it did not prove unusual conditions beneath the St. John Lease and did not show that a well drilled at a regular location on adjacent tracts would not drain hydrocarbons under the St. John Lease.

On the other hand, an owner of oil and gas is entitled to an opportunity to recover the reserves underlying his tract, and any denial of that opportunity amounts to confiscation. *Atlantic Refining Co. v. Railroad Commission*, 346 S.W.2d 801 (Tex. 1961); *Imperial American Resources Fund, Inc. v. Railroad Commission*, 557 S.W.2d 280 (Tex. 1977). No regular location exists on the St. John Lease where a well might be drilled under the applicable well spacing rules, and the bottom hole of Howell's proposed directional well is on acreage which is a legal subdivision. Under Rule 37(g)(2), a voluntary subdivision is a tract "(a) segregated from a larger tract in contemplation of oil, gas or geothermal development, or (b) segregated by fee title conveyance from a larger tract after the spacing rules became effective and the voluntary subdivision rule attached." The 13-acre tract on which Howell's proposed well will be bottomed took its size and shape in 1897, more than 20 years before the adoption of the first statewide spacing and density rules and long before the discovery date of any of the applied-for fields. The mineral interest owners under the original 13 acres had the right

to a first well on this 13 acres to prevent legal confiscation, and this right was not extinguished when

the St. John Baptist Church acquired the adjoining 13.35 acres in 1990.²

Because the drill site tract is a legal subdivision, Howell is entitled to a Rule 37 exception for a first well on the tract upon proof that it is not receiving its fair share of hydrocarbons from other wells on nearby tracts. The evidence shows that Howell operates no wells completed in the applied-for fields anywhere in the area of the St. John Lease.

The examiners believe further that Howell's proposed well location is reasonable. It is true that the proposed bottom hole location is not in the geometric center of the St. John Lease measuring from the eastern extremity of the lease to the western extremity. On the other hand, the St. John Lease is not in a square or rectangular configuration. Moving the well location to the center of the lease measuring from east to west would place the well in the most narrow portion of the lease from north to south and off the original 13 acre tract which is a legal subdivision. The proposed well location is roughly in the geometric center of this 13 acre tract, and no other location on the 26.35 acre St. John Lease would be further away from all the surrounding lease lines. The plat associated with the Form W-1 filed by Howell shows that the proposed bottom hole location is 370' from the east line, 398' from the south line, and 398' from the north line of Howell's lease. If the well location were moved to the center of the St. John Lease measuring from east to west, the location would be only about 233.5' from the north and south lines and would lose about 6.5' of structural position. Furthermore, GMX's reservoir engineer calculated that the GMX Underwood No. 1 is draining 78 acres, including the eastern side of the St. John Lease, and placing Howell's proposed well in the center of the St. John Lease, measuring from east to west would not serve to protect the St. John Lease against this drainage.

A Rule 38 exception is not required for Howell's proposed well in the Carthage, North (Cotton Valley) Field because special field rules for this field provide for optional 20 acre units. A Rule 38 exception is not required for Howell's proposed well in the Bethany (Travis Peak Cons.) and Bethany (Pettit 6170) Fields because the well will be a first well on a legal subdivision in these fields, and a Rule 38 exception is not required under Rule 38(d)(1).

² See Oil & Gas Docket No. 08-0211129; *Application of Oryx Energy Company for an Exception to Statewide Rule 38 to Drill Its Well No. 2, Brown Altman Acct 4 Unit, Emperor (Devonian) Field, Winkler County, Texas* (Final Order issued April 15, 1997), wherein the Commission found that Oryx was entitled to a first well on a 40 acre legal subdivision that had been pooled with a 120 acre voluntary subdivision after special field rules had attached, provided the well was located on the 40 acre legal subdivision and not the 120 acre voluntary subdivision. The proposal for decision of Examiners Lineberry and Richter, issued February 19, 1997, concluded that "While Oryx is not entitled to a well at the applied-for location [on the 120-acre voluntary subdivision] on the substandard Oryx Unit, the examiners agree with Oryx that the addition of voluntarily subdivided acreage to the 40 acre drill site tract . . . did not destroy the entitlement of the 40 acre tract to a well." (PFD at page 12) The decision of the Commission was affirmed in *Exxon Corp. v. Railroad Com'n of Texas*, 993 S.W.2d 704 (Tex.App.-Austin 1999, no pet.) wherein the Austin Court of Appeals observed that because the 40 acre drill site tract was a legal subdivision, there attached to the mineral owner a right to a reasonable opportunity to recover a fair share of the underlying minerals (993 S.W.2d at page 705) and rejected Exxon's argument that the 40 acre tract vanished as a legal subdivision when it was pooled with the 120 acre voluntary subdivision (993 S.W.2d at pages 710-711).

Based on the record in this case, the examiners recommend adoption of the following Findings of Fact and Conclusions of Law.

FINDINGS OF FACT

1. At least ten (10) days notice was sent to all affected persons, including operators, lessees of record for tracts that have no designated operator, and owners of record of unleased mineral interests in all offset tracts adjacent to the St. John Lease and all such operators and owners of tracts closer to the bottom hole location of the proposed well than the greater of one-half (½) of the prescribed between well spacing distance or minimum lease line spacing distance.
2. Howell Oil & Gas, Inc. (“Howell”) seeks exceptions to Statewide Rules 37 and 38 to drill its St. John Baptist Church Lease (“St. John Lease”), Well No. 1, Carthage, North (Cotton Valley), Bethany (Travis Peak Cons.), Bethany (Pettit 6170), and Wildcat Fields (“subject fields”), Harrison County, Texas.
3. The Howell application is opposed by GMX Resources, Inc. (“GMX”), which is the designated operator of tracts lying to the east, north and south of the eastern side of the St. John Lease. GMX is the operator of the Underwood No. 1 well which is a well in the Carthage, North (Cotton Valley) Field located 1,195' to the southeast of Howell’s proposed well location.
4. The St. John Lease is an irregularly shaped lease consisting of 26.35 acres. This lease is depicted on the plat attached to this proposal for decision as Appendix 1 and incorporated into this finding by reference.
5. The 26.35 acre St. John Lease is composed of three parcels of land acquired by the St. John Baptist Church at different times. The first acquisition of three acres was made by deed to the Church in 1881. In 1897, the Church was deeded ten adjoining acres. In 1990, the Church was deeded another 13.35 acres adjoining the original 13 acres on the west. This adjoining 13.35 acres had taken its size and shape in 1975.
6. Howell took an oil and gas lease of the entire 26.35 acres in the St. John Lease on September 29, 2005.
7. Howell proposes to drill Well No. 1 on the St. John Lease to a total depth of 12,500'. The well will be drilled directionally from an off-lease surface location 651' from the east line and 140' from the south line of the Hope, H. S. Survey, A-325, to a bottom hole location 300' from the southwest line and 398' from the south line of the St. John Lease and 370' from the westerly west line and 3,450' from the westerly north line of the Mastam S. Ussery Survey, A-722, Harrison County, Texas. The off-lease surface location is necessitated by surface constraints on the St. John Lease and surface use restrictions in Howell’s oil and gas lease.

8. Howell's proposed Well No. 1 will be the first well on the 26.35 acre St. John Lease.
9. The bottom hole location of Howell's proposed well will be on the original 13 acres, consisting of three acres acquired by the St. John Baptist Church in 1881 and ten additional adjoining acres acquired by the Church in 1897.
10. The 13 acre tract on which Howell's proposed well will be bottomed took its size and shape in 1897, before any well spacing rules were effective, and became under common ownership with an adjoining 13.35 acres in 1990.
11. Well spacing rules currently applicable to all of the subject fields provide for 467' lease line spacing. The Carthage, North (Cotton Valley) Field has a density rule providing for standard 40 acre and optional 20 acre units. The remainder of the applied-for fields are subject to rules providing for 40 acre units.
12. Howell did not establish that there are any unusual subsurface conditions beneath the St. John Lease that distinguish this lease from adjacent parts of the applied-for fields.
13. Howell did not establish that wells drilled at regular locations on offset tracts 467' from Howell's lease line will not recover hydrocarbons beneath the St. John Lease in the applied-for fields.
14. No regular location exists on the St. John Lease where a well might be drilled under the applicable well spacing rules.
15. The discovery dates for the subject fields (other than Wildcat) are as follows: Carthage, North (Cotton Valley) Field - November 18, 1981; Bethany (Travis Peak Cons.) - May 12, 1998; and Bethany (Pettit 6170) Field - May 1, 1967.
16. A number of wells have been permitted and/or completed in the subject fields in the general area of the St. John Lease, although the nearest completions in the Bethany (Travis Peak Cons.) and Bethany (Pettit 6170) Fields are one to two miles away. The GMX Underwood No. 1 well, located 1,195' to the southeast of Howell's proposed location, is the best area well in the Carthage, North (Cotton Valley) Field. Howell's consulting petroleum engineer has concluded that a well drilled at the proposed location likely will encounter the applied-for fields.
17. Howell does not operate any wells in the applied-for fields anywhere in the area of the St. John Lease and is not able to recover its fair share of hydrocarbons from beneath the St. John Lease from any nearby well.

18. The location of Howell's proposed well is reasonable.
 - a. The proposed bottom hole location is in the center of the original 13 acres of the St. John Lease which took its size and shape in 1897.
 - b. The proposed bottom hole location is the center of that portion of the St. John Lease which is the widest in all directions.
 - c. No alternative location on the St. John Lease would be further away from all the surrounding lease lines.
 - d. The proposed bottom hole location is 370' from the east line, 298' from the south line, and 398' from the north line of the St. John Lease. If the well location were moved to the center of the St. John Lease measuring from east to west, the location would be only about 233.5' from the north and south lines.
 - e. Regional dip in the Carthage, North (Cotton Valley) and Bethany (Travis Peak Cons.) Fields is down dip to the west and up dip to the east. If the well location were moved to the center of the St. John Lease measuring from east to west, the well would lose about 6.5' of structural position.
 - f. The GMX calculated drainage area for the GMX Underwood No. 1 well is 78 acres, and assuming radial drainage, the well is draining hydrocarbons from the eastern side of the St. John Lease. A well at the proposed location will better protect the St. John Lease against drainage than a well in the center of the St. John Lease measuring east to west.

CONCLUSIONS OF LAW

1. Proper notice of hearing was timely issued by the Railroad Commission to appropriate persons legally entitled to notice.
2. All things necessary to the Commission attaining jurisdiction over the subject matter and the parties in this hearing have been performed.
3. Howell Oil & Gas, Inc. ("Howell") did not prove that the granting of an exception to Statewide Rules 37 and/or 38 [16 TEX. ADMIN. CODE §§3.37 and 3.38] is necessary to prevent the waste of hydrocarbons.
4. An owner of oil and gas is entitled to an opportunity to recover the reserves underlying his tract, and any denial of that opportunity amounts to confiscation.
5. The 13 acre tract on which the bottom hole of Howell's proposed well will be located is a

legal subdivision.

6. Howell is entitled to an exception to Statewide Rule 37 for a first well on a legal subdivision to prevent confiscation.
7. The location of Howell's proposed well is reasonable.
8. The granting of an exception to Statewide Rule 37 for the St. John Baptist Church Lease, Well No. 1 is necessary to prevent confiscation.
9. The St. John Baptist Church Lease, Well No. 1 does not require a Rule 38 exception for the Carthage, North (Cotton Valley) Field, where special field rules provide for 20 acre optional units.
10. Pursuant to Statewide Rule 38(d)(1), the St. John Baptist Church Lease, Well No. 1 does not require a Rule 38 exception for the remainder of the applied-for fields because it is a first well on a legal subdivision.

RECOMMENDATION

The examiners recommend that the application of Howell Oil & Gas, Inc., for an exception to Statewide Rule 37 to drill the St. John Baptist Church Lease, Well No. 1, Carthage, North (Cotton Valley), Bethany (Travis Peak Cons.), Bethany (Pettit 6170), and Wildcat Fields, Harrison County, Texas, be granted in conformity with the attached final order.

Respectfully submitted,

James M. Doherty
Hearings Examiner

Thomas H. Richter, P.E.
Technical Examiner