

RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
HEARINGS SECTION

OIL & GAS DOCKET NO. 01-0256375

APPLICATION OF UHC PETROLEUM CORPORATION TO CONSIDER AN EXCEPTION TO STATEWIDE RULE 21 IN ORDER TO PRODUCE BY SWABBING VARIOUS WELLS ON THE WARDLAW, L. J. II LEASE, WARDLAW FIELD, EDWARDS COUNTY, TEXAS

FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on May 9, 2008, the examiners have 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 thereto, the said findings of fact and conclusions of law are hereby adopted and are incorporated as if fully set out and separately stated herein.

Accordingly, it is **ORDERED** that the application of UHC Petroleum Corporation for exceptions to Statewide Rule 21 to produce by swabbing the Wardlaw, L. J. II (09788) Lease, Well Nos. 18, 19, 20, and 21, Wardlaw Field, Edwards County, Texas, is hereby **GRANTED**, 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.
2. **Signage.** The subject lease, wells, and tank batteries must be properly identified with clearly legible identification signs as required by Statewide Rule 3.
3. **On Lease Storage.** All fluids produced by swabbing must be transferred to an on-lease tank battery and be measured before they leave the lease, unless the Commission specifically has authorized off-lease storage.
4. **Production Reporting.** All hydrocarbons produced must be reported to the Commission consistent with the requirements of Statewide Rule 58.
5. **Plugging of Wells.** In the event the wells are plugged, all plugging operations must strictly conform to the requirements of Statewide Rule 14, and upon plugging and abandonment of a well, the authority for the well as granted herein shall cease.

6. **Permit Expiration.** The authority granted herein shall remain valid for as long as UHC Petroleum Corporation is recognized by the Commission as the operator of record of the subject lease. The authority granted herein is, after notice and opportunity for hearing, subject to revocation by the Commission for violations of Commission rules with respect to the subject wells. The authority granted herein is not transferrable.

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 of 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.

Each exception to the examiners' 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.

Done this ___ day of _____, 2008, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN MICHAEL L. WILLIAMS

COMMISSIONER VICTOR G. CARRILLO

COMMISSIONER ELIZABETH A. JONES

ATTEST:

SECRETARY