

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

**OIL AND GAS DOCKET NO. 05-0259792**

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**APPLICATION OF EMMANUAL OIL TO SUPERCEDE THE PROVISIONS OF THE FINAL ORDER IN OIL & GAS DOCKET NO. 05-0233579 SIGNED ON JULY 22, 2003, REQUIRING THE PLUGGING OF THE COOPER FOUNDATION "W" (01878) LEASE, WELL NO. 20, DEER CREEK FIELD, FALLS COUNTY, TEXAS, ENABLING EMMANUAL OIL TO BECOME THE OPERATOR OF RECORD.**

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**FINAL ORDER**

The Commission finds that after statutory notice the above-captioned proceeding was heard by the examiner on November 20, 2008. Having been duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, the Commission makes the following Findings of Fact and Conclusions of Law.

**FINDINGS OF FACT**

1. Emmanual Oil (hereinafter "Emmanual") and Searchers Exploration (hereinafter "Searchers") were given at least 10 days notice of this proceeding. Emmanual appeared at the scheduled time and place for the hearing through its owner, Fred Treadwell. Searchers did not appear. Emmanual has agreed on the record that this Final Order shall be effective as of the date a Master Order relating to this Final Order is signed.
2. Emmanual filed its first Commission Form P-5 (Organization Report) with the Commission on July 19, 2007. Emmanual has posted financial assurance with the Commission in the form of a \$25,000 letter of credit which expires October 1, 2009.
3. Searchers was recognized as the operator of the Cooper Foundation "W" (01878) Lease (hereinafter "subject lease") after filing a Commission Form P-4 (Producer's Transportation Authority and Certificate of Compliance), effective March 22, 1999.
4. In Oil & Gas Docket No. 05-0233579, Searchers was ordered to plug Well No. 20 on the Cooper Foundation "W" (01878) Lease, plug or place in compliance Well No. 16 on the Cooper Foundation "W" (01878) Lease, plug or place in compliance Well Nos. 1, 3, 4, 5, 6, 7, 8 and 9 on the Harold Tepe (02780) Lease and pay an administrative penalty of \$23,000. Searchers has not complied with the terms of the Final Order in Oil & Gas Docket No. 05-0233579.

5. Emmanual has provided evidence of its good faith claim to operate the subject lease and wells by presenting a lease covering the relevant tract effective October 8, 2008 with a one year primary term.
6. Emmanual has filed with the Commission a two-signature Form P-4 (Producer's Certificate of Compliance and Transportation Authority) to become the operator of Well Nos. 20 and 16 on the Cooper Foundation "W" (01878) Lease.
7. Emmanual operates a total of 5 wells at the present time, in Milam County, south of the applied-for wells in Falls County.
8. Superseding the requirement in the Final Order entered in Oil & Gas Docket No. 05-0233579 that the Cooper Foundation "W" (01878) Lease, Well No. 20 be plugged is necessary to prevent waste.
  - (a) Emmanual opened the valve on Well No. 20, currently listed as a saltwater injection well, and found a pressure build-up and flowing oil. Emmanual proposes to convert the well from a saltwater injection well to a production well.
  - (b) Well No. 20 is currently perforated in the Edwards Lime. If it does not produce from that formation, Emmanual will recomplete uphole in the Buda. In this area, wells completed in the Buda produce 1 to 5 BO per day.
9. Emmanual has agreed on the record to waive issuance of a PFD in this Docket.
10. Emmanual has agreed on the record that, pursuant to the provisions of Texas Government Code §2001.144(a)(4), the P-4 transfer of the applied-for wells will be effective on the day the Order is signed by the Commissioners.

### **CONCLUSIONS OF LAW**

1. Proper notice of hearing was timely issued to the appropriate persons entitled to notice.
2. All things necessary to the Commission attaining jurisdiction have occurred.
3. Emmanual Oil has a good faith claim of a right to operate the subject lease and wells.
4. Emmanual Oil has filed financial assurance in the type and amount required under Texas Natural Resources Code §91.107 to be approved as the operator of the subject lease.
5. An Order superseding the Final Order entered in Oil & Gas Docket No. 05-0233579 requiring plugging of Well No. 20 on the Cooper Foundation "W" (01878) Lease, Falls County, is necessary to prevent waste.

5. Pursuant to §2001.144(a)(4) of the Texas Government Code, and the agreement of Emmanuel, this Final Order is effective when a Master Order relating to this Final Order is signed on December 16, 2008.

It is accordingly **ORDERED** that the provision in the Final Order entered in Oil & Gas Docket No. 05-0233579 requiring plugging of Well No. 20 on the Cooper Foundation "W" (01878) Lease, Falls County is hereby superceded. All other provisions of the Final Order shall remain in full force and effect.

It is further **ORDERED** that the Form P-4 (Certificate of Compliance and Transportation Authority) filed by Emmanuel Oil to change the operator of Well Nos. 20 and 16 on the Cooper Foundation "W" (01878) Lease, Falls County, from Searchers Exploration to Emmanuel Oil is hereby **APPROVED**.

It is further **ORDERED** by the Commission that this order shall be effective on December 16, 2008, when the Master Order relating to this Final Order is signed.

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

Done this 16th day of December, 2008, in Austin, Texas.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
OGC Unprotested Master Order dated  
December 16, 2008)**