BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: LORI WROTENBERY, DIRECTOR
OIL AND GAS CONSERVATION DIVISION
OKLAHOMA CORPORATION COMMISSION

RESPONDENT: EXPLORATION TECHNOLOGIES, INC.

RELIEF SOUGHT: CONTEMPT & MODIFICATION OF COMMISSION ORDER NO. 81374
CAUSE EN NO. 20050221 ITN 90987 ORDER NO. 542284

FINAL ORDER

This cause came on for hearing before an Administrative Law Judge, on the Enforcement Docket, on July 18, 2007, at 8:30 a.m., First Floor, Jim Thorpe State Office Building, Oklahoma City, Oklahoma, for the purpose of presenting evidence.

Jim Hamilton, attorney for the Oil and Gas Conservation Division, appeared on behalf of the Commission. An appearance was entered for Richard Books, attorney for Hawkstone Exploration Corporation.

The Administrative Law Judge proceeded to hear the cause and made the following findings and recommendations.

FINDINGS & RECOMMENDATIONS

1. This is an application of Lori Wrotenbery, Director of the Oil and Gas Conservation Division, Oklahoma Corporation Commission, Jim Thorpe Building, 2101 N. Lincoln Boulevard, Oklahoma City, Oklahoma 73105.

2. This hearing was held in all respects pursuant to notice given as required by law and the rules of the Commission.
3. Mr. Jim Rowe, Underground Injection Control Compliance Officer for the Oklahoma Corporation Commission, testified that he was familiar with the captioned application. The witness testified that he has overall responsibility for maintaining or reviewing Commission records relating to underground injection/disposal wells. Mr. Rowe testified that the Eli #W-21 injection well is located in the SE/4 of the NE/4 of Section 08, Township 28 North, Range 15 East, Nowata County, Oklahoma. The witness testified that the well had been authorized as an injection well by Commission Order No. 81374, which created the California Creek Waterflood Unit.

4. Mr. Rowe testified that Commission records indicate that a subsequent Mechanical Integrity Test (MIT) had not been performed and/or submitted to the Commission for the Eli #W-21 injection well as required for non-commercial disposal wells by OCC-OAC 165:10-5-6. Mr. Rowe testified that Commission records also indicate that Respondent failed to file with the Commission Annual Fluid Injection Reports, OCC Form 1012A, as required by OCC-OAC 165:10-5-7. Since the filing of this complaint, operation of the subject well has been transferred to Hawkstone Exploration Corporation, which has returned the well to oil production. The witness recommended that no fine be assessed but that Order No. 81374 be amended to delete authority to inject water into the Eli #W-21 well.

5. The Administrative Law Judge, after hearing the presentation of evidence and the statement of counsel, and being fully advised in the premises, finds that good cause had been shown for the basis of the proposed final order. The Administrative Law Judge finds that the Eli #W-21 salt-water injection well has been returned to production as an oil well. The Administrative Law Judge recommends deleting authority to inject water into the subject well by modifying Commission Order No. 81374, which authorized the injection of water into the subject well. It is the recommendation of the Administrative Law Judge that the Commission issue this proposed final order.

ORDER

IT IS THEREFORE ORDERED BY THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA as follows:

1. That the Findings and Recommendation of the Administrative Law Judge set forth herein are hereby incorporated as the express terms of this Order of the Commission.
2. That Commission Order No. 81374 is modified to delete authority to inject water into the Eli #W-21 well.

OKLAHOMA CORPORATION COMMISSION

JEFF CLOUD, CHAIRMAN

BOB ANTHONY, COMMISSIONER

JIM ROTH, COMMISSIONER

DONE AND PERFORMED this 25th day of July 2007.

BY ORDER OF THE COMMISSION:

PEGGY MITCHELL, Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing are the findings and recommendations of the Administrative Law Judge.

SUSAN OSBURN,
Administrative Law Judge

Jim Hamilton, OBA #3762
Attorney for Applicant