

**ARKANSAS OIL AND GAS COMMISSION
301 NATURAL RESOURCES DRIVE
SUITE 102
LITTLE ROCK, ARKANSAS 72205**

ORDER NO. 180A-2-2011-07

August 02, 2011

**CLASS II COMMERCIAL DISPOSAL WELL OR
CLASS II DISPOSAL WELL MORATORIUM**
Cleburne, Conway, Faulkner, and Van Buren Counties, Arkansas

**REQUEST FOR AN IMMEDIATE MORATORIUM ON ANY NEW OR ADDITIONAL CLASS II
COMMERCIAL DISPOSAL WELL OR CLASS II DISPOSAL WELL PERMITS IN CERTAIN AREAS.**

After due notice and public hearing in El Dorado, Arkansas, on July 26, 2011, the Arkansas Oil and Gas Commission, in order to prevent waste, carry out an orderly program of development, protect the correlative rights of each owner in the common source(s) of supply, prevent the pollution of fresh water supplies and unnecessary damage to property, soil, animals, or aquatic life by oil, gas or salt water, and to protect the health and welfare of the public, has found the following facts and issued the following Order.

STATEMENT OF CASE

The Staff of the Arkansas Oil and Gas Commission ("Applicant") filed an application requesting an immediate moratorium on any new or additional Class II Commercial Disposal Well or Class II Disposal Well permits in any of the Sections identified in Exhibit 1A or 1B of the Application, that is to remain in effect until the Commission adopts a General Rule establishing a permanent moratorium area

FINDINGS OF FACT

From the evidence introduced at said hearing, the Arkansas Oil and Gas Commission (hereinafter referred to as AOGC) finds:

1. That the Director filed an application requesting an immediate moratorium on any new or additional Class II Commercial Disposal Well or Class II Disposal Well permits in any of the Sections identified in Exhibit 1A or 1B of the application ("moratorium area"), that is to remain in effect until the Commission adopts a General Rule establishing a permanent area.
2. That seismic activity has been enhanced, induced, or triggered in other areas of the country in the past.
3. That seismic activity occurring within the moratorium area has revealed a previously unknown or unmapped fault system.
4. That the particular fault highlighted by the seismic activity may be capable of producing additional earthquakes of similar or greater magnitude as have already occurred.
5. That this fault system, highlighted by the recent activity associated with the Guy-Greenbrier Earthquake Swarm, indicates a general northeast-southwest (approximately N30°E) trending fault system which displaces the Lower Ordovician through Precambrian strata.
6. That, at the time of the hearing, there were four Disposal wells within the moratorium area. However, the permit holder of both the SRE 8-12 1-17 Class II Disposal Well (Permit No. 43266) and the Trammel Class II Disposal well (Permit No. 41079), and the permit holder of the Wayne L. Edgmon No. 1 Class II Commercial Disposal well (Permit No. 36380), agreed to immediately and permanently cease all disposal operations in both disposal wells, and to properly plug the subject disposal wells by

September 30, 2011. The remaining Class II Commercial Disposal Well, the Moore, W E Estate No. 1 Class II Commercial Disposal well (Permit No. 39487), is subject to the provisions of Order No. 180A-1-2011-07.

7. That no objects were filed in relation to Docket No. 180A-1-2011-07.

CONCLUSIONS OF LAW

1. That due notice of public hearing was given as required by law and that this Commission has jurisdiction over said parties and the matter herein considered.
2. That this Commission has authority to grant or deny said application under the provisions of Act No. 105 of 1939, as amended.

ORDER

It is, therefore, ordered by the Commission: that an immediate moratorium is in effect for any new or additional Class II Commercial Disposal Well or Class II Disposal Wells within the moratorium area described in the application, more specifically, as described or depicted in Exhibits 1A and 1B of Docket No. 180A-2011-07, that shall remain in effect until the Commission adopts a General Rule establishing a permanent moratorium area.

This Order shall be effective from and after August 02, 2011; and the Commission shall have continuing jurisdiction for the purposes of enforcement, and/or modifications or amendments to the provisions of this Order.

ARKANSAS OIL AND GAS COMMISSION



Lawrence E. Bengal,
Director