

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 7B-0298668**

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**COMPLAINT OF MARINA SEARS REALTY LP THAT UNITED OPERATING, LLC (OP. 877448) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE BONNEAU LEASE (222973), WELL NO. 1, MOBY DICK (MARBLE FALLS) FIELD, PARKER COUNTY, TEXAS**

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**FINAL ORDER**

The Commission finds that statutory notice of the captioned proceeding, United Operating, LLC did not respond and this docket proceeded as a default. The proceeding having been duly submitted to the Railroad Commission of Texas (RRC or Commission) 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. At least ten days notice was given to United Operating, LLC, RRC Operator No. 877448, (United Operating).
2. United Operating is the operator of record for the Bonneau Lease, RRC Lease No. 222973, Well No. 1 (Well 1) and has been the operator of record at the RRC since at least March 1, 2011.
3. On or about October 23, 2015, the RRC received a complaint from Marina Sears Realty, LP alleging United Operating does not have a "good faith claim" to operate Well 1 and Well 1 should be plugged. On or about October 28, 2015, the Administrative Law Judge (ALJ) requested in writing that United Operating either: (1) provide evidence that it holds a good faith claim to a continuing right to operate the referenced property; or (2) request a hearing on the matter on or before November 30, 2015. This writing expressly notified the operator that failure to timely request a hearing would constitute waiver of the opportunity to request a hearing.
4. United Operating has a current Form P-5 with sufficient financial assurance for its wells.
5. A "good faith claim" is defined in Commission Statewide Rule 15(a)(5) as "A factually supported claim based on a recognized legal theory to a continuing possessory right in the mineral estate, such as evidence of a currently valid oil and gas lease or a recorded deed conveying a fee interest in the mineral estate." 16 Tex. Admin. Code 3.15(a)(5).

7. According to RRC records, Well 1 has been inactive for a period of over 5 calendar years and has not reported production in over 5 calendar years.
8. United Operating failed to provide evidence that it holds a good faith claim to a continuing right to operate Well 1 and also failed to request a hearing.
9. United Operating does not hold a good faith claim to operate Well 1.
10. Absent a "good faith claim" to operate, the subject well is not eligible for an extension to the plugging requirements in Statewide Rule 14 and 15, as provided for in Statewide Rule 15(e).
11. Absent eligibility for an extension to the plugging requirements under Statewide Rule 15(e), the plugging extension of the well should be cancelled pursuant to Statewide Rule 15(h).
12. The current plugging extension status of Well 1 is "Approved" according to RRC records.
13. The plugging extension for Well 1 should be cancelled pursuant to Statewide Rule 15(h), and Well 1 should be plugged.
14. Pursuant to Tex. Gov't Code §§ 2001.056 and 2001.062(e), United Operating has waived the opportunity to request a hearing on the matter.

**CONCLUSIONS OF LAW**

1. Proper notice of hearing was timely issued to appropriate persons entitled to notice.
2. All things necessary to the Commission attaining jurisdiction have occurred.
3. Resolution of this docket is a matter committed to the jurisdiction of the Commission. Tex. Nat. Res. Code § 81.051.
4. United Operating does not have a "good faith claim" to continue operating the subject lease and wells.
5. Well 1 is not eligible for a plugging extension, plugging extensions for Well 1 should be cancelled, and Well 1 should be plugged in.

**IT IS THEREFORE ORDERED** that the plugging extensions for Well 1, are hereby **CANCELLED**. United Operating is hereby **ORDERED** to plug Well 1 in accordance with Statewide Rules 14 and 15.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 25 days after the Commission's Order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code § 2001.142, by agreement under Tex. Gov't Code § 2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code § 2001.146(e). If a timely motion for rehearing of an application is filed by any party at 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 Commission Order is signed.

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

Done this 3rd day of February, 2016, in Austin, Texas.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
HD Unprotested Master Order dated  
February 3rd, 2016)**