



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

### OIL AND GAS DOCKET NO. 02-0299494

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**IN RE: COMMISSION CALLED HEARING TO PROVIDE RAMTEX ENERGY LLC (OPERATOR NO. 690225) AN OPPORTUNITY TO DEMONSTRATE THAT IT HAS A GOOD FAITH CLAIM TO OPERATE THE CARTER ET AL (08692) LEASE, WELL NO. 2, SWEET HOME (WILCOX UP) FIELD, LAVACA COUNTY, TEXAS, AND TO SHOW CAUSE WHY THE WELL SHOULD NOT BE ORDERED PLUGGED**

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### FINAL ORDER

The Commission finds that after notice and opportunity for hearing, the prior operator of the captioned lease did not respond and the docket proceeded as a default. The proceeding 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 Facts and Conclusions of Law.

### FINDINGS OF FACTS

1. RAMTex Energy LLC (RAMTex) holds Operator No. 690225.
2. RAMTex is the P-4 Record Operator of the Carter et al (08692) Lease, Well No. 2, Sweet Home (Wilcox Up) Field, located in Lavaca County, Texas.
3. On January 25, 2016, Complainant James Steffek (Complainant) submitted to the Commission a letter of complaint alleging that RAMTex lacks authority to operate the Carter et al (08692) Lease, Well No. 2, Sweet Home (Wilcox Up) Field, located in Lavaca County, Texas.
  - a. By letter dated January 18, 2016, Complainant "request[ed] [the Commission's] attention to the above subject well located on my property in Lavaca County." In that same letter, Complainant stated that the "well has not produced for over one year . . ."
  - b. The Carter et al (08692) Lease, Well No. 2, is physically located in the southwest area of the Douglass, J. Survey, Abstract No. 136, Lavaca County, Texas (Land).

4. On January 25, 2016, Complainant submitted to the Commission an oil, gas and mineral lease dated March 11, 1975, recorded in Volume 184, Page 749, Lease Records, Lavaca County, Texas, purporting to cover the subject Land.
  - a. The oil, gas and mineral lease provided for a five (5) year primary term.
  - b. Evidence of lease perpetuation was not submitted to the Commission.
5. At least ten days notice was given to RAMTex, Respondent, and James Steffek, Complainant. By letter dated February 4, 2016, RAMTex was afforded the opportunity to submit evidence of a continuing right to operate the subject lease and well or request a hearing on the matter. RAMTex did neither.
  - a. On March 2, 2016, *RAM Energy LLC* submitted to the Commission a letter stating that “RAMTex Energy LLC intends to plug the subject well. Form W-3A Notice of Intention to Plug and Abandon has been submitted to the San Antonio District Office for approval.”
6. By failing to respond to notice and opportunity for hearing, RAMTex chose to rely on informal disposition of the Docket pursuant to TEX. GOV'T CODE §§ 2001.056 and 2001.062(e).
7. RAMTex has a current, active Form P-5 with financial assurance in the form of a Letter of Credit for \$250,000.00 which expires on August 30, 2016. RAMTex is the operator of 255 wells, of which 64 are in Statewide Rule 14(b)(2) [16 TEX. ADMIN. CODE § 3.14(b)(2)] inactive status.
8. RAMTex became the operator of the Carter et al (08692) Lease, Well No. 2, Sweet Home (Wilcox Up) Field, Lavaca County, Texas, by Form P-4 transfer with an effective date of August 8, 2014, and an approved date of August 1, 2014.
9. The Carter et al (08692) Lease had zero (0) reported production from November 2014 through December 2015. The last reported production from the lease was December 2015.
10. 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)].
11. RAMTex did not present a “good faith claim” to operate the captioned lease and did not respond to a February 4, 2016, Commission letter requesting that it either provide a “good faith claim” to operate the subject lease or request a hearing.

12. Absent a “good faith claim” to operate, the subject well is not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).
13. Absent eligibility for an extension to the plugging requirements of Statewide Rule 15(e)(3), the plugging extension of the subject well should be cancelled pursuant to Statewide Rule 15(h).
14. The current plugging extension status of the Carter et al (08692) Lease, Well No. 2, Sweet Home (Wilcox Up) Field, Lavaca County, Texas, is “Approved”, per online Commission records.
15. The plugging extension for the Carter et al (08692) Lease, Well No. 2, Sweet Home (Wilcox Up) Field, Lavaca County, Texas, should be cancelled pursuant to Statewide Rule 15(h) and the well plugged.

#### **CONCLUSIONS OF LAW**

1. Proper notice of an opportunity for a hearing was timely issued to appropriate persons entitled to notice.
2. All things necessary to the Commission attaining jurisdiction have occurred.
3. RAMTex does not have a “good faith claim” to operate the Carter et al (08692) Lease, Well No. 2, Sweet Home (Wilcox Up) Field, Lavaca County, Texas.
4. The Carter et al (08692) Lease, Well No. 2, Sweet Home (Wilcox Up) Field, Lavaca County, Texas is not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).
5. The plugging extension for the Carter et al (08692) Lease, Well No. 2, Sweet Home (Wilcox Up) Field, Lavaca County, Texas, should be cancelled pursuant to Statewide Rule 15(h).

**IT IS THEREFORE ORDERED** that the plugging extension for the Carter et al (08692) Lease, Well No. 2, Sweet Home (Wilcox Up) Field, Lavaca County, Texas, is **CANCELLED**. RAMTex Energy LLC is hereby **ORDERED** to plug the Carter et al (08692) Lease, Well No. 2, Sweet Home (Wilcox Up) Field, Lavaca County, Texas, pursuant to the requirements of Statewide Rule 14(b)(2).

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 Commission Order is signed.

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

Done this 12<sup>th</sup> day of April, 2016, in Austin, Texas.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed  
by Hearings Division Unprotested Master  
Order dated April 12, 2016)**