

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 01-0300607

IN RE: SINGLE SIGNATURE P-4 TRANSFER OF RECORD OPERATOR FOR THE JACKSON LEASE, WELL NO. 1, PENA CREEK (SAN MIGUEL 3RD) FIELD, DIMMIT COUNTY, TEXAS, FROM EDDY A. STACHA (OPERATOR NO. 810868) TO CLAY HAMILTON (OPERATOR NO. 348557)

FINAL ORDER

The Railroad Commission of Texas (“Commission” or “RRC”) finds that after statutory notice and an opportunity for hearing regarding the captioned proceeding, Eddy A. Stacha has failed to request a hearing and did not otherwise respond such that this docket can proceed as a default. This proceeding having been duly submitted to the Commission at a 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 Eddy A. Stacha, RRC Operator No. 810868, (“Stacha”) and Clay Hamilton, RRC Operator No. 348557 (“Hamilton”).
2. Stacha is the operator of record for the Jackson Lease (RRC Lease ID No. 14001), Well No. 1 (“Well 1”).
3. On May 20, 2016, the Commission received an application by Hamilton to change the RRC operator of record for Well 1 from Stacha to Hamilton.
4. In a letter dated May 20, 2016, a Commission Administrative Law Judge (“ALJ”) requested in writing that Stacha 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 June 6, 2016. This writing expressly notified Stacha that failure to timely request a hearing would constitute waiver of the provided opportunity to request a hearing for this proceeding.
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).
6. Stacha failed to provide evidence that it holds a “good faith claim” to a continuing right to operate Well 1, failed to respond to the ALJ’s May 20, 2016 letter, and failed to request a hearing.

7. Stacha is delinquent in filing the annual Commission Organization Report (Form P-5).
8. Stacha became the RRC operator of record for Well 1 in February 2006. There has been no reported production for Well 1 since September 2012.
9. To demonstrate its “good faith claim” to operate Well 1, Hamilton provided a notarized Term Partial Assignment of Oil and Gas Lease in which Hamilton has the right to operate Well 1. The Term Partial Assignment of Oil and Gas Lease is dated May 5, 2016 and was filed in Dimmit County, Texas on May 10, 2016. Hamilton also represented that Stacha has been deceased since November 2012.
10. Hamilton has a current annual Commission Organization Report (Form P-5) with sufficient financial assurance to operate Well 1. Hamilton’s status at the Commission is active.
11. Stacha does not hold a “good faith claim” to operate Well 1.
12. Pursuant to TEX. GOV’T CODE §§ 2001.056 and 2001.062(e), Stacha has waived the opportunity to request a hearing on the matter.
13. Hamilton has demonstrated a “good faith claim” to a continuing right to operate Well 1.
14. Well 1 should be transferred to Hamilton as operator of record.

CONCLUSIONS OF LAW

1. Proper notice 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. Stacha does not have a “good faith claim” to continue operating Well 1.
5. Hamilton does have a “good faith claim” to operate Well 1.

IT IS THEREFORE ORDERED that the application of Hamilton to change the RRC operator of record for Well 1 is **APPROVED** and Hamilton’s submitted Form P-4 “Certificate of Compliance and Transportation Authority” reflecting itself as the current operator for Well 1 is hereby **APPROVED** subject to the provisions of TEX. NAT. RES. CODE §§ 91.107, 91.114 and 91.142, and 16 TEX. ADMIN. CODE § 3.15.

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) and 16 TEX. ADMIN. CODE § 1.149(c), 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 21st day of June 2016, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by HD
Unprotested Master Order date June 21, 2016)

JNC / rnf