

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 7C-0300540**

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**Commission Called Hearing to Provide Bustamante Oil Company an Opportunity to Demonstrate that it has a Good Faith Claim to Operate the Graham Ranch (16573) Lease, Well Nos. 1, 2 and 3A, Noelke (Wolfcamp, Lower) Field, Crockett County, Texas and Show Cause Why the Wells Should Not be Plugged.**

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**FINAL ORDER**

The Commission finds that after notice and an opportunity for hearing regarding the captioned matter, the Operator has failed to reply or request a hearing. This matter having been duly submitted, the Railroad Commission of Texas enters and adopts findings of fact and conclusions of law, as follows:

**FINDINGS OF FACT**

1. Bustamante Oil Company (Op. No. 112685) is the operator of record for the Graham Ranch (16573) Lease, Well Nos. 1, 2 and 3A, Noelke (Wolfcamp, Lower) Field, Crockett County, Texas, acquiring the lease and wells by Form P-4 transfer from Brower Oil & Gas Co., Inc., approved June 12, 2015 and effective April 1, 2015.
2. By letter received at the Commission on May 9, 2016, Jean Yarbrough of the Trustees of Shannon West Texas Memorial Hospital complained that Bustamante Oil Company ("Bustamante") did not have a good faith claim to operate the captioned lease and wells.
3. By letter dated May 17, 2016, Commission staff requested in writing that Bustamante either (1) provide evidence that it holds a good faith claim to a continuing right to operate the referenced lease and wells or (2) request a hearing on the matter on or before June 6, 2016. The letter expressly notified the operator that failure to timely request a hearing would constitute waiver of the opportunity to request a hearing on the matter.
4. Bustamante did not file a Reply or request a hearing. Thus, Bustamante chose to rely on informal disposition of the docket pursuant to Texas Gov't Code §§2001.056 and 2001.062(e).
5. The Trustees of Shannon West Texas Memorial Hospital provided a Release of Lease to the subject lease and wells signed by Leopoldo Bustamante on January 9, 2016 and witnessed by a Notary Public.

6. The subject lease and wells have not produced since December, 2011.
7. The Graham Ranch (16573) Lease, Well Nos. 1, 2 and 3A, do not have a plugging extension in effect.

**CONCLUSIONS OF LAW**

1. All things have occurred to give the Railroad Commission of Texas jurisdiction in this matter.
2. Bustamante Oil Company (Op. No. 112685) does not have a good faith claim to operate the Graham Ranch (16573) Lease, Well Nos. 1, 2 and 3A, Noelke (Wolfcamp. Lower) Field, Crockett County, Texas.

Accordingly, the Railroad Commission of Texas hereby **ORDERS** that Bustamante Oil Company **PLUG** the Graham Ranch (16573) Lease, Well Nos. 1, 2 and 3A, Noelke (Wolfcamp. Lower) Field, Crockett County, Texas.

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 requested Findings of Fact and Conclusions of Law which are not expressly adopted herein are **DENIED**. All pending motions and request for relief not previously granted or granted herein are **DENIED**.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
Hearings Division Unprotested Master  
Order dated September 27, 2016)**

