

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 7C-0301860**

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**COMPLAINT OF GILBERT MINZENMAYER THAT RIDGLEA ENERGY I, LLC (OPERATOR NO. 711126) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE MINZENMAYER, GILBERT LEASE (LEASE NO. 17358), WELL NOS. 1B AND 5A, DORMAN, WEST (GOEN) FIELD, RUNNELS COUNTY, TEXAS**

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**FINAL ORDER**

The Railroad Commission of Texas (“Commission” or “RRC”) finds that after statutory notice and an opportunity for hearing regarding the captioned proceeding, Ridglea Energy I, LLC failed to request a hearing and did not otherwise respond such that this docket can proceed as a default. This proceeding having duly been 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. On September 23, 2016, the Commission received a complaint from Gilbert Minzenmayer (the “Complainant”) alleging Ridglea Energy I, LLC (“Ridglea”), RRC Operator No. 711126, does not have a right to operate the Minzenmayer, Gilbert Lease (the “Lease”), Lease No. 17358, Well Nos. 1B and 5A (the “Wells”) because the written lease relied upon by Ridglea has terminated due to lack of production.
2. Ridglea is the current RRC operator of record for the Wells and became the RRC operator in January 2016.
3. In a letter dated September 29, 2016, a Commission Administrative Law Judge (“ALJ”) requested in writing that Ridglea either (1) provide evidence that it holds a “good faith claim” to a continuing right to operate the Wells or (2) request a hearing on the matter on or before October 28, 2016. This writing expressly notified Ridglea that failure to timely request a hearing would constitute waiver of the provided opportunity given to request a hearing.
4. 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).

5. Ridglea failed to provide evidence that it holds a “good faith claim” to a continuing right to operate the Wells, failed to request a hearing, and failed to otherwise respond to the ALJ’s September 29, 2016 letter.
6. At least ten days’ notice of an opportunity for hearing was given to Ridglea and Complainant.
7. To support his claim, Complainant submitted a Paid Up Oil and Gas Lease that was assigned to Ridglea as lessee, is dated October 1, 2013, and identifies Complainant as the lessor. The pertinent provisions of the Paid Up Oil and Gas Lease provide that the lease remains in effect as long as there are production, drilling or reworking operations. The real property described and subject to this lease includes mineral interests where the Wells are located.
8. There has been no reported production on the Lease since July 2015.
9. Ridglea does not have a “good faith claim” to operate the Wells.
10. Absent a "good faith claim" to operate, the Wells are not eligible for extensions to the plugging requirements in Statewide Rule 14 and 15 as provided for in Statewide Rule 15(e).
11. The Wells should be plugged and any plugging extensions relating to them should be revoked.
12. Pursuant to TEX. GOV’T CODE §§ 2001.056 and 2001.062(e), Ridglea was provided an opportunity to request a hearing and failed to do so.

### **CONCLUSIONS OF LAW**

1. Proper notice of opportunity for hearing was timely issued to appropriate persons entitled to notice. *See, e.g.*, TEX. GOV’T CODE § 2001.051; 16 TEX. ADMIN. CODE § 1.45(a).
2. The Commission has jurisdiction in this case. *See, e.g.*, TEX. NAT. RES. CODE § 81.051.
3. Ridglea does not have a “good faith claim,” as that term is defined in Statewide Rule 15(a)(5), to continue operating the Wells. 16 TEX. ADMIN. CODE § 3.15(a)(5).
4. The Wells are not eligible for a plugging extension and the Wells should be plugged.

**IT IS THEREFORE ORDERED** that Ridglea is not eligible for plugging extensions for the Wells. Ridglea is hereby **ORDERED** to plug the Wells and place the Lease in compliance with Statewide Rules 8, 14, and 15, and any other applicable Commission rules.

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 6<sup>th</sup> day of December, 2016, in Austin, Texas.

**RAILROAD COMMISSION OF TEXAS**

(Order approved and signatures affixed by HD  
Unprotested Master Order date December 6, 2016)

JNC/rmf