
IN RE: COMMISSION CALLED HEARING TO PROVIDE BROCK, J. (OPERATOR NO. 095367) AN OPPORTUNITY TO DEMONSTRATE THAT IT HAS A GOOD FAITH CLAIM TO OPERATE THE MCFARLAND QUEEN UNIV. UNIT, ALL WELLS, MCFARLAND (QUEEN) FIELD, ANDREWS COUNTY, TEXAS

FINAL ORDER

The Commission finds that a hearing on the merits was called to order on November 29, 2016, at which Respondent Brock, J. failed to enter an appearance. 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. Brock, J. ("Brock") holds Operator No. 095367.
2. Brock is the current Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the McFarland Queen Univ. Unit, All Wells, McFarland (Queen) Field, Andrews County, Texas.
3. On or about March 8, 2016, Complainant University Lands ("Complainant") submitted to the Commission a complaint letter alleging that Brock lacks authority to operate the McFarland Queen Univ. Unit, All Wells, McFarland (Queen) Field, Andrews County, Texas.
4. On or about March 8, 2016, the Administrative Law Judge requested in writing that Brock 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 April 7, 2016. This writing expressly notified the operator that failure to timely request a hearing would constitute waiver of the opportunity to request a hearing on the matter.
5. On or about April 6, 2016, Brock, J. requested a hearing on the merits.
6. At the request of Brock, a hearing on the merits was originally scheduled for July 1, 2016.
7. On or about June 22, 2016, Brock and Complainant filed with the Commission a Joint Motion for Continuance ("Motion").

8. On or about June 23, 2016, the Administrative Law Judge granted the Motion.
9. At the request of Complainant, a hearing on the merits was scheduled for November 29, 2016.
10. A hearing on the merits was called to order on November 29, 2016.
11. Notice of Hearing was issued to all necessary parties on October 3, 2016, at least ten days prior to the hearing on the merits.
12. Brock has a delinquent Form P-5 *Organization Report* without financial assurance. Brock last filed financial assurance in the form of a \$50,000 bond, which expired on June 30, 2014.
13. Brock became the current Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the for the McFarland Queen Univ. Unit, All Wells, McFarland (Queen) Field, Andrews County, Texas, by filing a Form P-4 dated effective July 1, 2004.
14. The McFarland Queen Univ. Unit, All Wells, McFarland (Queen) Field, Andrews County, Texas, had zero (0) reported production from October 2014 through November 2015.
15. The McFarland Queen Univ. Unit, All Wells, McFarland (Queen) Field, Andrews County, Texas, has had no reported production since November 2015.
16. 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)].
17. Brock did not present a “good faith claim” to operate the captioned lease.
18. Absent a “good faith claim” to operate, the subject wells are not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).
19. Absent eligibility for extensions to the plugging requirements of Statewide Rule 15(e)(3), the plugging extensions for the subject wells should be cancelled pursuant to Statewide Rule 15(h).
20. The McFarland Queen Univ. Unit, All Wells, McFarland (Queen) Field, Andrews County, Texas, should be ordered 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. Brock does not have a "good faith claim" to operate the McFarland Queen Univ. Unit, All Wells, McFarland (Queen) Field, Andrews County, Texas.
4. The McFarland Queen Univ. Unit, All Wells, McFarland (Queen) Field, Andrews County, Texas, are not eligible for extensions to the plugging requirements of Statewide Rule 15(e)(3).
5. The McFarland Queen Univ. Unit, All Wells, McFarland (Queen) Field, Andrews County, Texas, should be cancelled pursuant to Statewide Rule 15(h).
6. The McFarland Queen Univ. Unit, All Wells, McFarland (Queen) Field, Andrews County, Texas, should be ordered plugged pursuant to the requirements of Statewide Rule 14(b)(2).

IT IS THEREFORE ORDERED that the plugging extensions for the McFarland Queen Univ. Unit, All Wells, McFarland (Queen) Field, Andrews County, Texas, are hereby **CANCELLED**. Brock, J. is hereby **ORDERED** to plug within 30 days of the date this order becomes final, the McFarland Queen Univ. Unit, All Wells, McFarland (Queen) Field, Andrews County, Texas) Lease, Well No. 2, Deckers Prairie (La Gloria Lwr.) Field, Montgomery 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 24th day of January, 2017, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS
(Order approved and signatures affixed
by Hearings Division Unprotested Master
Order dated December 6, 2016)