

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 01-0302009**

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**IN RE: TRANSFER OF RECORD OPERATOR FOR THE JUTSON, ARVA LEE A-1 (09579) LEASE, WELL NO. A1, MINERVA-ROCKDALE FIELD, MILAM COUNTY, TEXAS, FROM PRICE OPERATING, LLC TO DORADO OFFSHORE, LLC**

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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 FACT**

1. At least ten days notice was given to Price Operating, LLC (Operator No. 676856) and Dorado Offshore, LLC (Operator No. 223345).
2. Price Operating, LLC is the operator of record for the Jutson, Arva Lee A-1 (09579) Lease, Well No. A1, Minerva-Rockdale Field, Milam County, Texas.
3. On or about October 6, 2016, Dorado Offshore, LLC submitted to the Commission a Form P-4 *Certificate of Compliance and Transportation Authority* requesting transfer of the Jutson, Arva Lee A-1 (09579) Lease, Well No. A1, Minerva-Rockdale Field, Milam County, Texas, from Price Operating, LLC to Dorado Offshore, LLC, as operator of record.
4. On or about October 10, 2016, the Administrative Law Judge requested in writing that Price Operating, LLC 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 November 9, 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. Price Operating, LLC has an active Form P-5, and has sufficient financial assurance for its wells.
6. Dorado Offshore, LLC has an active Form P-5 with sufficient financial assurance, in the form of a \$2,340 cash bond which expires on August 31, 2017, to acquire the lease and well in dispute.
7. 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.”
8. The Jutson, Arva Lee A-1 (09579) Lease, Well No. A1, Minerva-Rockdale Field, Milam County, Texas, has not reported production since December 2015.
9. Dorado Offshore, LLC presented a memorandum of oil and gas lease as its “good faith claim” to operate the subject property. The memorandum of oil and gas lease purports to cover the subject property and was executed on August 25, 2016, for a three (3) year primary term.
10. Price Operating, LLC failed to reply to the Administrative Law Judge’s letter dated October 10, 2016, with any documents that it holds a “good faith claim” to a continuing right to operate the referenced property and failed to timely request a hearing.
11. Price Operating, LLC does not have a “good faith claim” to operate the referenced property.
12. Pursuant to TEX. GOV’T CODE §§ 2001.056 and 2001.062(e), Price Operating, LLC and Dorado Offshore, LLC have waived the opportunity to request a hearing on the matter.
13. Dorado Offshore, LLC has demonstrated a “good faith claim” to a continuous right to operate the referenced property.
14. The Jutson, Arva Lee A-1 (09579) Lease, Well No. A1, Minerva-Rockdale Field, Milam County, Texas, should be transferred to Dorado Offshore, LLC, as operator of record.

**CONCLUSIONS OF LAW**

1. Proper notice of hearing 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. GOV'T CODE §§ 81.051.
4. Price Operating, LLC does not have a "good faith claim" to continue to operate the subject lease and well.
5. Dorado Offshore, LLC has a "good faith claim" to operate the subject lease and well.

**IT IS THEREFORE ORDERED** that the application of Dorado Offshore, LLC for transfer of the Form P-4 "Certificate of Compliance and Transportation Authority" for the Jutson, Arva Lee A-1 (09579) Lease, Well No. A1, Minerva-Rockdale Field, Milam County, Texas, is hereby **APPROVED**, subject to the provisions of TEX. NAT. RES. CODE §§ 91.107, 91.114, 91.142 and 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), 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 January 24, 2017, in Austin, Texas.

OIL AND GAS DOCKET NO. 01-0302009

**RAILROAD COMMISSION OF TEXAS**

**(ORDER APPROVED AND SIGNATURES AFFIXED  
BY HEARINGS DIVISION UNPROTESTED MASTER ORDER  
DATED JANUARY 24, 2016)**