

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 7B-0300785**

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**IN RE: TRANSFER OF RECORD OPERATOR FOR THE POPP (225114) LEASE, WELL NO. 4, STRAWN, NORTH (MARBLE FALLS) FIELD, PALO PINTO COUNTY, TEXAS, FROM PUREX ENERGY LLC TO TRACER OPERATING, INC.**

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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 Purex Energy LLC (Operator No. 683054) and Tracer Operating, Inc. (Operator No. 863965).
2. Purex Energy LLC is the operator of record for the Popp (225114) Lease, Well No. 4, Strawn, North (Marble Falls) Field, located in Palo Pinto County, Texas.
3. On or about June 29, 2016, the Administrative Law Judge requested in writing that Purex Energy 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 July 29, 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.
4. Purex Energy LLC has a delinquent Form P-5, and does not have sufficient financial assurance for its wells.
5. Tracer Operating, Inc. has an active Form P-5 with sufficient financial assurance to acquire the lease and well in dispute.
6. 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.”

7. The subject Commission-recognized lease, the Popp (225114) Lease, Well No. 4, Strawn, North (Marble Falls) Field, has not reported production since July 2013.
8. Tracer Operating, Inc. presented forty-two (42) current oil and gas leases as its “good faith claim” to operate the subject property. The current oil and gas leases purport to cover the subject property and all were executed in 2015.
9. Purex Energy LLC failed to reply to the Administrative Law Judge’s letter dated June 29, 2016, with any documents that it holds a “good faith claim” to a continuing right to operate the referenced property and also failed to timely request a hearing.
10. Purex Energy LLC does not hold a “good faith claim” to operate the referenced property.
11. Pursuant to TEX. GOV’T CODE §§ 2001.056 and 2001.062(e), Purex Energy LLC and Tracer Operating, Inc. have waived the opportunity to request a hearing on the matter.
12. Tracer Operating, Inc. has demonstrated a “good faith claim” to a continuous right to operate the referenced property.
13. The Popp (225114) Lease, Well No. 4, Strawn, North (Marble Falls) Field, located in Palo Pinto County, Texas, should be transferred to Tracer Operating, Inc., 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. Purex Energy LLC does not have a “good faith claim” to continue to operate the subject lease and well.

5. Tracer Operating, Inc. does have a “good faith claim” to operate the subject lease and well.

**IT IS THEREFORE ORDERED** that the application of Tracer Operating, Inc. for transfer of the Form P-4 “Certificate of Compliance and Transportation Authority” for the Popp (225114) Lease, Well No. 4, Strawn, North (Marble Falls) Field, located in Palo Pinto 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 August 24, 2016, in Austin, Texas.

**RAILROAD COMMISSION OF TEXAS**

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