

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 09-0301775

Complaint of David Lindsey that B.E.G. Production (Operator No. 040396) Does Not Have a Good Faith Claim to Operate the Lindsey(30586) Lease, Well No. 1, and the Lindsey (30749) Lease, Well No. 2, Bryson, SW (Strawn) Field, Jack County, Texas.

FINAL ORDER

The Commission finds that after notice and an opportunity for hearing regarding the captioned matter, the Operator has submitted written evidence rather than 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. B.E.G. Production (Operator No. 040396) is the Form P-4 operator of record for the Lindsey (RRC ID# 30586) Lease, Well No. 1 and the Lindsey (RRC ID# 30749) Lease, Well No. 2, Bryson, SW (Strawn) Field, Jack County, Texas.
2. By letter received at the Commission on September 20, 2016, David Lindsey, through his attorney Michael Mask, complained that B.E.G. Production does not have a good faith claim to operate the captioned leases and wells.
3. By letter dated November 17, 2016 Commission staff requested that B.E.G. Production either (1) provide evidence that it holds a good faith claim to a continuing right to operate the referenced well or (2) request a hearing on the matter on or before December 19, 2016. The letter expressly notified the operator that its decision to submit written evidence or its failure to timely request a hearing would constitute waiver of the opportunity to request a hearing on the matter.
 - a. B.E.G. Production did not submit written evidence.
 - b. B.E.G. Production did not request a hearing on the matter.
 - c. By failing to submit written evidence or request a hearing, B.E.G. Production chose to rely on informal disposition of the docket pursuant to Texas Gov't Code §§2001.056 and 2001.062(e).

4. The Lindsey (30586) Lease, Well No. 1, last reported production for June, 2014. The well has reported zero production since that time to November 2016. The well has been inactive for 29 months, a period of time in excess of one year.
5. The Lindsey (30586) Lease, Well No. 1, does not have a Statewide Rule 14(b)(2) extension.
6. The Lindsey (30749) Lease, Well No. 2, has not reported production since B.E.G. Production became the operator of the well in September, 2013, to July, 2016. The well has been inactive for 35 months, a period of time in excess of one year.
7. The Lindsey (30749) Lease, Well No. 2, does not have a Statewide Rule 14(b)(2) extension.
8. Commission Statewide Rule 14(b)(2) states: "Plugging operations on each dry or inactive well shall be commenced within a period of one year after drilling or operations cease and shall proceed with due diligence until completed unless the Commission or its delegate approves a plugging extension under §3.15 of this title (relating to Surface Equipment Removal Requirements and Inactive Wells)."
9. B.E.G. Production is currently subject to Senate Bill 639 and its Form P-5 status is "Delinquent".

CONCLUSIONS OF LAW

1. All things have occurred to give the Railroad Commission of Texas jurisdiction in this matter.
2. B.E.G. Production does not have a good faith claim to operate the Lindsey (30586) Lease, Well No. 1 or the Lindsey (30749) Lease, Well No. 2, in the Bryson, SW (Strawn) Field, Jack County, Texas.
3. B.E.G. Production does not have a plugging extension for either the Lindsey (30586) Lease, Well No. 1 or the Lindsey (30749) Lease, Well No. 2, in the Bryson, SW (Strawn) Field, Jack County, Texas.

Accordingly, the Railroad Commission of Texas hereby **ORDERS** that B.E.G. Production (Operator No. 040396) **PLUG** the Lindsey (30586) Lease, Well No. 1 and the Lindsey (30749) Lease, Well No. 2, in the Bryson, SW (Strawn) Field, Jack 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 February 14, 2016)**