

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL & GAS DOCKET NO.
03-0303351**

**SINGLE SIGNATURE P-4 FILING OF
INLAND OCEAN, INC. (OP. NO. 424607)
FOR THE WILBECK (208229) LEASE,
WELL NO. 3, PICKETT RIDGE (FRIO)
FIELD, WHARTON COUNTY, TEXAS,
TO CHANGE OPERATOR FROM
UNITED TEXAS PETROLEUM, INC.(OP.
NO. 877688)**

FINAL ORDER

The Commission finds that after notice and opportunity for hearing, the current operator of the captioned lease did not respond with evidence to demonstrate that such operator maintains a "good faith claim" to operate the captioned lease. 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. On about September 26, 2016, Inland Ocean, Inc. filed a Single Signature P-4 alleging that United Texas Petroleum, Inc. had no "good faith claim" to operate the Wilbeck (208229) Lease, Pickett Ridge (Frio) Field, Wharton County, Texas.
2. By letter mailed January 27, 2017, United Texas was notified of the filing. Such letter was mailed to United Texas at their P-5 address (returned as undeliverable) and to Mr. Stapleton, the President of United Texas, at the address shown on the P-5 (not returned).
3. The notice letter established a deadline of February 28, 2017, by which United Texas could either (A) request a hearing on the merits; or, (B) submit written evidence that it held a good faith claim to operate. United Texas failed to reply to any communication and did not request a hearing.
4. Inland Ocean, Inc. presented a recorded copy of a Memorandum of Oil and Gas Lease dated January 19, 2017, executed by M. P. Wilbeck, LLC for the Wilbeck (298229) Lease, Pickett Ridge (Frio) Field, Wharton County, Texas.
5. Inland Ocean, Inc. has an active Form P-5 and has financial assurance in place in the form of a \$50,000 bond, which expires November 1, 2017.
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." [16 TEX. ADMIN. CODE § 3.15(a)(5)].

7. Inland Ocean, Inc. presented evidence sufficient to demonstrate that it has a "good faith claim" to operate the Wilbeck (208229) Lease, Pickett Ridge (Frio) Field, Wharton County, Texas. It claims title under an Oil and Gas Lease described in the Memorandum of Oil and Gas Lease from W.W. Wilbeck, LLC.

CONCLUSIONS OF LAW

1. Proper notice was timely issued to all persons entitled thereto as required by law.
2. All things necessary to the Commission attaining jurisdiction have occurred.
3. United Texas Petroleum, Inc. does not have a "good faith claim" to operate the Wilbeck (208229) Lease, Pickett Ridge (Frio) Field, Wharton County, Texas.
4. Inland Ocean, Inc. does have a good faith claim to operate. Its single signature P-4 should be accepted, and operations of the Wilbeck (208229) Lease, Pickett Ridge (Frio) Field, Wharton County, Texas, should be transferred to Inland Ocean, Inc.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that the single signature P-4 of Inland Ocean, Inc. be accepted and that operations of the Wilbeck (208229) Lease, Pickett Ridge (Frio) Field, Wharton County, Texas, be transferred to Inland Ocean, Inc.

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.

Done this 10th day of May, 2017.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Divisions' Unprotested Master Order dated May 10, 2017)