

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 03-0304219

SINGLE SIGNATURE P-4 FILING OF FINLEY OIL COMPANY LLC (OP. NO. 268606) FOR THE KELLY CHRISTIAN (24665) LEASE, WELL NO. 1, CHENANGO (8100 FRIO) FIELD, BRAZORIA COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM K.O.C. CORPORATION (448941) TO FINLEY OIL COMPANY LLC (268606)

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 K.O.C. Corporation ("K.O.C.") Operator No. 448941.
2. K.O.C. is the operator of record for the Kelly Christian (24665) Lease, Well No. 1, Landon, Chenango (8100 Frio) Field, Brazoria County, Texas.
3. Finley Oil Company LLC ("Finley") holds Operator No. 268606 and holds title to the oil and gas lease(s) covering the captioned tracts and wells.
4. On or about March 22, 2017, the Administrative Law Judge requested in writing that K.O.C. 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 28, 2017. 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. 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."

6. The Kelly Christian (24665) Lease, Well No. 1, Landon, Chenango (8100 Frio) Field, Brazoria County, Texas, has been inactive and has no reported production for a period of over two years.
7. K.O.C. failed to provide evidence that it holds a "good faith claim" to a continuing right to operate the referenced property and also failed to timely request a hearing.
8. K.O.C. does not hold a "good faith claim" to operate the referenced property.
9. Pursuant to TEX. GOV'T CODE §§ 2001.056 and 2001.062(e), the parties waived the opportunity to request a hearing on the matter.
10. Finley now asserts a "good faith claim" to a continuous right to operate the referenced property.
11. The Kelly Christian (24665) Lease, Well No. 1, Landon, Chenango (8100 Frio) Field, Brazoria County, Texas, should be transferred to Finley Oil Company 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. K.O.C. does not have a "good faith claim" to continue to operate the subject lease and well.
5. Finley does have a "good faith claim" to operate the subject lease and well.

IT IS THEREFORE ORDERED that the application of Finley Oil Company, LLC. for transfer of the Form P-4 "Certificate of Compliance and Transportation Authority" the Kelly Christian (24665) Lease, Well No. 1, Landon, Chenango (8100 Frio) Field,

Brazoria County, Texas, 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 or herein granted are denied.

Done this 23rd day of May, 2017, in Austin,
Texas.

**RAILROAD COMMISSION OF TEXAS (ORDER
APPROVED AND SIGNATURES AFFIXED BY
HEARINGS DIVISION UNPROTESTED MASTER
ORDER DATED MAY 23, 2017)**