

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 09-0304019

SINGLE SIGNATURE P-4 FILING OF CP EXPLORATION TX OPERATING, LLC (OP. NO. 186316) FOR THE HANNA HEIRS "A" (32632) LEASE, WELL NO. 1, LOST VALLEY (MARBLE FALLS) FIELD, JACK COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM SILVER CREEK RESOURCES LLC (781908) TO CP EXPLORATION TX OPERATING, LLC

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 Silver Creek Resources, LLC ("Silver Creek") Operator No. 781908.
2. Silver Creek, Operator No. 781908, is the operator of record for the Hanna Heirs "A" (32632) Lease, Well No. 1, Landon, Lost Valley (Marble Falls) Field, Jack County, Texas.
3. CP Exploration TX Operating, LLC ("CP Exploration TX") holds Operator No. 781908 and holds title to the oil and gas lease(s) covering the captioned tracts and wells.
4. On or about March 9, 2017, the Administrative Law Judge requested in writing that Silver Creek 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 14, 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 Hanna Heirs “A” (32632) Lease, Well No. 1, Landon, Lost Valley (Marble Falls) Field, Jack County, Texas, has been inactive and has no reported production for a period of over two years.
7. Silver Creek 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. Silver Creek 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. CP Exploration TX now asserts a “good faith claim” to a continuous right to operate the referenced property.
11. The Hanna Heirs “A” (32632) Lease, Well No. 1, Landon, Lost Valley (Marble Falls) Field, Jack County, Texas, should be transferred to CP Exploration TX 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. Silver Creek does not have a “good faith claim” to continue to operate the subject lease and well.
5. CP Exploration EX does have a “good faith claim” to operate the subject lease and well.

IT IS THEREFORE ORDERED that the application of CP Exploration TX Operating, LLC for transfer of the Form P-4 "Certificate of Compliance and Transportation Authority" the Hanna Heirs "A" (32632) Lease, Well No. 1, Landon, Lost Valley (Marble Falls) Field, Jack 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 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)**