

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 09-0304834**

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**IN RE: TRANSFER OF RECORD OPERATOR FOR THE OVERBY, W. W. (10628) LEASE, WELL NO. 1, K-M-A FIELD, WICHITA COUNTY, TEXAS, FROM GAGE, HARDY LEE., III TO AKINS OIL COMPANY**

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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 Gage, Hardy Lee., III (Operator No. 292572), ("Gage"), and Akins Oil Company (Operator No. 009583), ("Akins").
2. Gage is the operator of record for the Overby, W. W. (10628) Lease, Well No. 1, K-M-A Field, Wichita County, Texas.
3. On or about May 3, 2017, Akins submitted to the Commission a Form P-4 *Certificate of Compliance and Transportation Authority* requesting transfer of the Overby, W. W. (10628) Lease, Well No. 1, K-M-A Field, Wichita County, Texas, from Gage to Akins, as operator of record.
4. On or about May 8, 2017, the Administrative Law Judge requested in writing that Gage 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 May 23, 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. Gage has a delinquent Form P-5 without financial assurance on file with the Commission.

6. Akins has an active Form P-5 with sufficient financial assurance in the form of a \$50,000 letter of credit, which expires on April 18, 2018, to acquire the lease and well in dispute.
7. 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.”
8. The Overby, W. W. (10628) Lease, Well No. 1, K-M-A Field, Wichita County, Texas, has not reported production since July 2015.
9. Akins presented an Oil, Gas and Mineral Lease as its “good faith claim” to operate the subject property. The Oil, Gas and Mineral Lease purports to cover the subject property and was executed on March 10, 2017, for a one year primary term.
10. Gage failed to reply to the Administrative Law Judge’s letter dated May 8, 2017, with any documents that it holds a “good faith claim” to a continuing right to operate the referenced property and failed to timely request a hearing.
11. Gage does not have a “good faith claim” to operate the referenced property.
12. Pursuant to TEX. GOV’T CODE §§ 2001.056 and 2001.062(e), Gage and Akins have waived the opportunity to request a hearing on the matter.
13. Akins has demonstrated a “good faith claim” to a continuous right to operate the referenced property.
14. The Overby, W. W. (10628) Lease, Well No. 1, K-M-A Field, Wichita County, Texas, should be transferred to Akins 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. Gage does not have a “good faith claim” to continue to operate the subject lease and well.
5. Akins has a “good faith claim” to operate the subject lease and well.

**IT IS THEREFORE ORDERED** that the application of Akins Oil Company for transfer of the Form P-4 “Certificate of Compliance and Transportation Authority” for the Overby, W. W. (10628) Lease, Well No. 1, K-M-A Field, Wichita 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 June 27, 2017, in Austin, Texas.

**RAILROAD COMMISSION OF TEXAS**

**(ORDER APPROVED AND SIGNATURES AFFIXED  
BY HEARINGS DIVISION UNPROTESTED MASTER ORDER  
DATED JUNE 6, 2017)**