

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 04-0304931:

SINGLE SIGNATURE P-4 TRANSFER OF RECORD OPERATOR FOR THE TILLER RANCH LEASE, WELL NO. 2 (GAS ID NO. 226830), TOM GRAHAM (5300) FIELD, JIM WELLS COUNTY, TEXAS TO CHANGE THE OPERATOR FROM ARKOSE PETROLEUM, INC (OPERATOR NO. 030811) TO INSPIRE OIL AND GAS, INC. (OPERATOR NO. 424758)

FINAL ORDER

The Commission finds that after notice and opportunity for hearing, the prior operator of the captioned lease failed to present evidence or to request a hearing to show a good faith claim to the captioned well. The captioned docket 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 Arkose Petroleum, Inc. (Op. No. 030811).
2. Arkose is the operator of record the for the Tiller Ranch Lease, Well No. 2 (Gas ID No. 226830), Tom Graham (5300) Field, Jim Wells County, Texas.
3. Inspire Oil & Gas, Inc. holds Operator No. 424758 and holds title to the lease covering the captioned tract and well.
4. On or about May 16, 2017, the Administrative Law Judge requested in writing that Arkose either (1) provide evidence that it holds a good faith claim to a continuing right to operate the referenced properties or (2) request a hearing on the matter. 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 Tiller Ranch Lease, Well No. 2 (Gas ID No. 226830), Tom Graham (5300) Field, Jim Wells County, Texas has been inactive and has no reported production for a period of over ten years.
7. Arkose failed to provide evidence that it holds a "good faith claim" to a continuing right to operate the referenced properties and also failed to timely request a hearing.
8. Arkose does not hold a "good faith claim" to operate the referenced properties.
9. Inspire now asserts a "good faith claim" to a continuous right to operate the referenced properties.
10. The Tiller Ranch Lease, Well No. 2 (Gas ID No. 226830), Tom Graham (5300) Field, Jim Wells County, Texas should be transferred to Inspire 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. Arkose does not have a "good faith claim" to continue to operate the subject lease and well.
5. Inspire Oil & Gas, Inc. does have a "good faith claim" to operate the subject lease and well.

IT IS THEREFORE ORDERED that the application of Inspire Oil & Gas, Inc. for transfer of the Form P-4 "Certificate of Compliance and Transportation Authority" for the Tiller Ranch Lease, Well No. 2 (Gas ID No. 226830), Tom Graham (5300) Field, Jim Wells 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 1st day of August 2017, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

**(ORDER APPROVED AND SIGNATURES AFFIXED BY
HEARINGS DIVISION UNPROTESTED MASTER
ORDER DATED AUGUST 1, 2017)**