

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**Oil & Gas Docket No. 6E-0306213**

---

**Single Signature P-4 Filing of Miken Oil, Inc. (Operator No. 566783) for the Bean, J. S. Lease (Lease No. 07494), East Texas Field, Rusk County, Texas, to Change the Operator from White Tiger Production (Operator No. 916968) to Miken Oil, Inc.**

---

**Final Order**

The Railroad Commission of Texas (“Commission” or “RRC”) finds that after statutory notice and an opportunity for hearing regarding the captioned proceeding, White Tiger Production failed to request a hearing and did not otherwise respond such that this case can proceed as a default. This proceeding having been duly submitted to the Commission at a conference held in its offices in Austin, Texas, the Commission makes the following findings of fact and conclusions of law.

**Findings of Fact**

1. On or about August 28, 2017, Miken Oil, Inc. (“Miken”), RRC Operator No. 566783, filed a single-signature Form P-4 *Certificate of Compliance and Transportation Authority* (“Form P-4”) requesting that it be designated the Commission operator of record for the Bean, J.S. Lease (Lease No. 07494) (“Lease”). The Form P-4 did not contain the signature of the current Commission operator of record for the Lease.
2. White Tiger Production (“White Tiger”), RRC Operator No. 916968, is the current Commission operator of record for the Lease.
3. In a letter dated August 18, 2017, a Commission Administrative Law Judge (“ALJ”) requested in writing that White Tiger 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 September 18, 2017. This writing expressly notified White Tiger that failure to timely request a hearing would constitute waiver of the provided opportunity to request a hearing for this proceeding. The letter was sent via first-class mail to White Tiger’s address of record at the Commission as identified in White Tiger’s most recent filing of Commission Form P-5 *Organization Report* (“Form P-5”).
4. 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).

5. White Tiger failed to provide evidence that it holds a good faith claim to a continuing right to operate the Lease, failed to respond to the ALJ's August 18, 2017 letter and failed to request a hearing.
6. At least ten days' notice of an opportunity for hearing was given to Miken and White Tiger.
7. White Tiger became the RRC operator of record for the Lease in January 2016. There has been no reported production for the Lease since February 2016.
8. White Tiger is delinquent in filing the annual Form P-5.
9. To demonstrate its good faith claim to operate the Lease, Miken submitted a notarized contractual oil and gas lease dated February 7, 2017, giving it the right to operate and produce the minerals from the wells on the Lease.
10. Miken has a current Form P-5 with a \$50,000 bond as its financial assurance. Miken is currently the record operator of 89 wells. There are two wells on the Lease. Miken has sufficient financial assurance to operate the wells on the Lease. Miken's status at the Commission is active. See 16 TEX. ADMIN. CODE § 3.78(d), (g).
11. White Tiger does not have a good faith claim to operate the Lease.
12. Pursuant to TEX. GOV'T CODE §§ 2001.056 and 2001.062(e), White Tiger was provided an opportunity to request a hearing and failed to do so.
13. Miken has demonstrated a good faith claim to a continuing right to operate the Lease.
14. The Lease should be transferred to Miken as operator of record.

### **Conclusions of Law**

1. Proper notice of hearing was timely issued to appropriate persons entitled to notice. See, e.g., TEX. GOV'T CODE § 2001.051; 16 TEX. ADMIN. CODE §§ 1.42, 1.45.
2. The Commission has jurisdiction in this case. See, e.g., TEX. NAT. RES. CODE § 81.051.
3. White Tiger does not have a good faith claim, as that term is defined in Statewide Rule 15(a)(5), to continue operating the Lease. 16 TEX. ADMIN. CODE § 3.15(a)(5).
4. Miken does have a good faith claim to operate the Lease.

### Ordering Provisions

**IT IS THEREFORE ORDERED** that the application of Miken to change the RRC operator of record for the Lease is **APPROVED** and Miken's submitted Form P-4 *Certificate of Compliance and Transportation Authority* reflecting itself as the current operator for the Lease is hereby **APPROVED** subject to the provisions of TEX. NAT. RES. CODE §§ 91.107, 91.114 and 91.142, and 16 TEX. ADMIN. CODE § 3.15.

All pending motions and requests for relief not previously granted or granted herein are denied.

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) and 16 TEX. ADMIN. CODE § 1.149(c), 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 the Commission order is signed.

Done this 10<sup>th</sup> day of October 2017, in Austin, Texas.

### RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by HD  
Unprotested Master Order dated October 10,  
2017)

JNC/rmf