
IN RE: COMMISSION CALLED HEARING TO PROVIDE TX ENHANCED OIL RECOVERY Co., LLC (OPERATOR NO. 875198) AN OPPORTUNITY TO DEMONSTRATE THAT IT HAS A GOOD FAITH CLAIM TO OPERATE THE RIESS (276364) LEASE, WELL NO. 1, WILDCAT FIELD, HOUSTON COUNTY, TEXAS

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 FACTS

1. Tx Enhanced Oil Recovery Co., LLC ("Texas") holds Form P-5 *Organization Report* Operator No. 975198.
2. Unit is the current Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the Riess (276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas.
3. On or about August 18, 2017, Complainants Barrett Riess and Margaret Riess ("Complainants") filed with the Commission a complaint alleging Texas lacks authority to operate the Riess (276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas.
4. On or about August 22, 2017, by first class letter mail, the Administrative Law Judge requested in writing that Texas 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 21, 2017. This writing expressly notified Texas that failure to timely request a hearing would constitute waiver of the opportunity to request a hearing on the matter. Texas neither provided evidence that it holds a good faith claim to a continuing right to operate the referenced property nor requested a hearing on the matter
5. At least ten days' notice was given to Texas and Complainants.

6. By failing to respond to notice and opportunity for hearing, Texas chose to rely on informal disposition of this docket pursuant to TEX. GOV'T CODE §§ 2001.056 and 2001.062(e).
7. Texas has a delinquent Form P-5 without financial assurance to operate the subject well. Texas is the operator of 11 wells, of which 9 are in Statewide Rule 14(b)(2) [16 TEX. ADMIN. CODE § 3.14(b)(2)] inactive status.
8. Texas became the current Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the Riess (276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas, by filing a Form P-4 dated effective June 1, 2015.
9. The Riess (276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas, has not reported production since September 2014.
10. 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)].
11. Texas did not present a “good faith claim” to operate the Riess (276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas and did not respond to an August 22, 2017 Commission letter requesting that it either provide a “good faith claim” to operate the Riess (276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas, or request a hearing on the merits.
12. Absent a “good faith claim” to operate, the Riess (276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas is not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).

CONCLUSIONS OF LAW

1. Proper notice of an opportunity for a hearing was timely issued to appropriate persons entitled to notice.
2. All things necessary to the Commission attaining jurisdiction have occurred.
3. Texas does not have a “good faith claim” to operate the Riess (276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas.
4. The Riess (276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas, is not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).

THEREFORE, the Railroad Commission of Texas hereby finds Tx Enhanced Oil Recovery Co., LLC (Operator No. 875198) does not have a “good faith claim” to operate the Riess (276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas.

FURTHERMORE, the Railroad Commission of Texas hereby finds that the Riess (276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas, is not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).

It is **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 7th day of November 2017, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS
(Order approved and signatures affixed
by Hearings Division Unprotested Master
Order dated November 7, 2017)