

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**Oil & Gas Docket No. 08-0307960**

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**COMPLAINT OF JAMES LYNN GLASS THAT B. B. & C. (OPERATOR NO. 039890) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE INACTIVE WELLS ON THE COLLINS LEASE (LEASE NO. 41287), HOWARD GLASSCOCK (CONSOLIDATED) FIELD, MITCHELL COUNTY, TEXAS**

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**Final Order**

The Railroad Commission of Texas ("Commission" or "RRC") finds that after statutory notice and an opportunity for hearing regarding the captioned proceeding, B. B. & C. failed to request a hearing and did not otherwise respond such that this case can proceed as a default. This proceeding having duly been 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 about November 15, 2017, the Commission received a complaint from James Lynn Glass ("Complainant") alleging B. B. & C., RRC Operator No. 039890, does not have a good faith claim to operate the wells on the Collins Lease (Lease No. 41287) (the "Wells") because the Wells are inactive and the written lease relied upon by B. B. & C. has expired.
2. B. B. & C. is the current RRC operator of record for the Wells and became the RRC operator in December 2011.
3. In a letter dated December 12, 2017, a Commission Administrative Law Judge ("ALJ") requested in writing that B. B. & C. either (1) provide evidence that it holds a "good faith claim" to a continuing right to operate the Wells or (2) request a hearing on the matter on or before January 12, 2018. This writing expressly notified B. B. & C. that failure to timely request a hearing would constitute waiver of the provided opportunity given to request a hearing. The letter was sent via first-class mail to B. B. & C.'s address of record as identified in B. B. & C.'s most recent filing of the Commission Form P-5 (*Organization Report*).
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. B. B. & C. failed to provide evidence that it holds a good faith claim to a continuing right to operate the Wells, failed to request a hearing and failed to otherwise respond to the ALJ's January 12, 2018 letter.
6. At least ten days' notice of an opportunity for hearing was given to B. B. & C. and Complainant.
7. To support his claim, Complainant submitted a notarized Oil and Gas Lease, dated September 22, 1997, filed in Mitchell County. The Oil and Gas Lease grants the lessee the right to conduct drilling operations on the property the Wells are located on for a term of one month and as long as thereafter as there is production.
8. There has been no reported production on the Wells since at least November 2016.
9. B. B. & C. does not have a good faith claim to operate the Wells.
10. Absent a good faith claim to operate, the Wells are not eligible for extensions to the plugging requirements in Statewide Rule 14 and 15 as provided for in Statewide Rule 15(e).
11. The Wells should be plugged and any plugging extensions relating to it should be revoked.
12. Pursuant to TEX. GOV'T CODE §§ 2001.056 and 2001.062(e), B. B. & C. was provided an opportunity to request a hearing and failed to do so.
13. Complainant agreed in writing that the date this Final Order will become final will be the date the Master Order related to this Final Order is signed.

### **Conclusions of Law**

1. Proper notice of opportunity for 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. B. B. & C. does not have a good faith claim, as that term is defined in Statewide Rule 15(a)(5), to continue operating the Wells. 16 TEX. ADMIN. CODE § 3.15(a)(5).
4. The Wells are not eligible for a plugging extension and the Wells should be plugged.

5. Pursuant to § 2001.144(a)(4)(A) of the Texas Government Code and by agreement of the Parties in writing or on the record, **the parties have waived the right to file a motion for rehearing and this Final Order can become final on the date the Master Order relating to the Final Order is signed.**

### **Ordering Provisions**

**IT IS THEREFORE ORDERED** that B. B. & C. is not eligible for plugging extensions for the Wells. B. B. & C. is hereby **ORDERED**, within 30 days from the day immediately following the date this order becomes final, to plug all wells on the Collins Lease (Lease No. 41287) and place the lease in compliance with Statewide Rules 8, 14, and 15, and any other applicable Commission rules.

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

Pursuant to § 2001.144(a)(4)(A) of the Texas Government Code and by agreement of the parties in writing or on the record, **the parties have waived the right to file a motion for rehearing and this Final Order is final on the date the Master Order relating to the Final Order is signed.**

Done this 13<sup>th</sup> day of February 2018 in Austin, Texas.

### **RAILROAD COMMISSION OF TEXAS**

(Order approved and signatures affixed by HD  
Unprotested Master Order dated February 13,  
2018)

JNC/mls