

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 06-0308045**

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**SINGLE SIGNATURE P-4 FILING OF IMAGERY EXPLORATION, INC. (OPERATOR NO. 422898) FOR THE COPELAND, WELL NO. 1 (GAS ID NO. 222106), MINDEN (COTTON VALLEY CONS.) FIELD, RUSK COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM SABINE OIL & GAS CORPORATION (OPERATOR NO. 742143) TO IMAGERY EXPLORATION, INC.**

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**FINAL ORDER**

The Commission finds that after notice and opportunity for hearing, the 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.

**FINDING OF FACT**

1. At least twenty days' notice was given to Sabine Oil & Gas Corporation (Operator No. 742143), ("Sabine"), and Imagery Exploration, Inc. (Operator No. 422898), ("Imagery").
2. Sabine is the operator of record for the Copeland (Gas ID No. 222106), Well No. 1, Minden (Cotton Valley Cons.) Field, Rusk County, Texas.
3. On or about November 10, 2017, Imagery submitted to the Commission a Form P-4 *Certificate of Compliance and Transportation Authority* requesting transfer of the Copeland, Well No. 1 (Gas ID No. 222106), Minden (Cotton Valley Cons.) Field, Rusk County, Texas, from Sabine to Imagery, as operator of record.
4. All Commission correspondence to Sabine was sent via United States Postal Service first-class mail to Sabine's address of record, as set forth on Sabine's most recent Form P-5 *Organization Report*.
5. All Commission correspondence to Imagery was sent via United States Postal Service first-class mail to Imagery's address of record, as set forth on Imagery's most recent Form P-5 *Organization Report*.
6. On or about December 1, 2017, the Administrative Law Judge requested in writing that Sabine 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 January 2, 2018. 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.

7. Sabine's Form P-5 is active. Sabine has a \$250,000.00 bond as its financial assurance.
8. Imagery's Form P-5 is active. Imagery has a \$25,000.00 letter of credit as its financial assurance.
9. 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."
10. No production has been reported on the subject lease since May 2017.
11. Sabine failed to reply to the Administrative Law Judge's letter dated December 1, 2017, with any documents that it holds a "good faith claim" to a continuing right to operate the subject lease and failed to timely request a hearing.
12. Sabine does not have a "good faith claim" to operate the subject lease.
13. Pursuant to TEX. GOV'T CODE §§ 2001.056 and 2001.062(e), Sabine and Imagery have waived the opportunity to request a hearing on the matter.
14. Imagery now asserts a "good faith claim" to a continuous right to operate the subject lease.
15. The Copeland (Gas ID No. 222106), Well No. 1, Minden (Cotton Valley Cons.) Field, Rusk County, Texas, should be transferred to Imagery 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 has occurred.
3. Resolution of this docket is a matter committed to the jurisdiction of the Commission. TEX. GOV'T CODE §§ 81.051.
4. Sabine does not have a "good faith claim" to continue to operate the Copeland (Gas ID No. 222106), Well No. 1, Minden (Cotton Valley Cons.) Field, Rusk County, Texas.
5. Imagery does have a "good faith claim" to continue to operate the Copeland (Gas ID No. 222106), Well No. 1, Minden (Cotton Valley Cons.) Field, Rusk County, Texas.

**IT IS THEREFORE ORDERED** that the application of Imagery Exploration, Inc. for transfer of the Form P-4 "Certificate of Compliance and Transportation Authority" 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 100 days from the date Commission Order is signed.

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

Done this 13th day of February 2018, Austin, Texas.

**Railroad Commission of Texas (Order approved  
and signatures affixed by Hearings Division  
Unprotested Master Order dated February 13, 2018)**