

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 09-0308200

IN RE: TRANSFER OF RECORD OPERATOR FOR THE CARRIZO-WAGGONER-WALKER UNIT (207508) LEASE, WELL NO. 3, NEWARK, EAST (BARNETT SHALE) FIELD, WISE COUNTY, TEXAS, FROM JACKSON PETROLEUM CONSULTING, INC. TO WINFIELD OPERATING COMPANY, AS OPERATOR OF RECORD

FINAL ORDER

The Commission finds that after notice and opportunity for hearing, the prior operator of the captioned lease failed to appear at the hearing on the merits 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 FACT

1. At least ten days' notice was given to Winfield Operating Company (Operator No. 931940), ("Winfield"), and Jackson Petroleum Consulting, Inc. (Operator No. 429366), ("Jackson").
2. Jackson is the operator of record for the Carrizo-Waggoner-Walker Unit (207508) Lease, Well No. 3, Newark, East (Barnett Shale) Field, Wise County, Texas.
3. On or about December 7, 2017, Winfield submitted to the Commission a Form P-4 *Certificate of Compliance and Transportation Authority* requesting transfer of the Carrizo-Waggoner-Walker Unit (207508) Lease, Well No. 3, Newark, East (Barnett Shale) Field, Wise County, Texas, from Jackson to Winfield, as operator of record.
4. All Commission correspondence to Jackson was sent via United States Postal Service 1st class mail to Jackson's address of record, as set forth on Jackson's most recent Form P-5 *Organization Report*.
5. All Commission correspondence to Winfield was sent via United States Postal Service 1st class mail to Winfield's address of record, as set forth on Winfield's most recent Form P-5 *Organization Report*.
6. On or about December 18, 2017, the Administrative Law Judge requested in writing that Jackson 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

22, 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. Jackson failed to reply to the Administrative Law Judge's letter dated December 18, 2017, with any documents that it holds a "good faith claim" to a continuing right to operate the referenced property and failed to timely request a hearing.
8. Jackson has an active Form P-5, with adequate financial assurance on file with the Commission.
9. Winfield has an active Form P-5 with sufficient financial assurance in the form of a \$50,000 letter of credit, which expires on April 1, 2019, to acquire the lease and well in dispute.
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."
11. The Carrizo-Waggoner-Walker Unit (207508) Lease, Well No. 3, Newark, East (Barnett Shale) Field, Wise County, Texas, has not reported production since September 2016.
12. The Carrizo-Waggoner-Walker Unit (207508) Lease, Well No. 3, Newark, East (Barnett Shale) Field, Wise County, Texas, reported zero production from June 2011 through August 2016.
13. Winfield presented an oil and gas lease dated March 23, 2017, purporting to cover the subject property, for a primary term of two years, as a "good faith claim" to operate the Carrizo-Waggoner-Walker Unit (207508) Lease, Well No. 3, Newark, East (Barnett Shale) Field, Wise County, Texas.
14. Jackson does not have a "good faith claim" to operate the referenced property.
15. Winfield has a "good faith claim" to a continuous right to operate the referenced property.
16. The Carrizo-Waggoner-Walker Unit (207508) Lease, Well No. 3, Newark, East (Barnett Shale) Field, Wise County, Texas, should be transferred to Winfield 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. Jackson does not have a "good faith claim" to continue to operate the Carrizo-Waggoner-Walker Unit (207508) Lease, Well No. 3, Newark, East (Barnett Shale) Field, Wise County, Texas.
5. Winfield has a "good faith claim" to operate the Carrizo-Waggoner-Walker Unit (207508) Lease, Well No. 3, Newark, East (Barnett Shale) Field, Wise County, Texas.

IT IS THEREFORE ORDERED that the application of Winfield Operating Company for transfer of the Form P-4 "Certificate of Compliance and Transportation Authority" for the Carrizo-Waggoner-Walker Unit (207508) Lease, Well No. 3, Newark, East (Barnett Shale) Field, Wise 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 granted or granted herein are denied.

Done this February 13, 2018, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

**(ORDER APPROVED AND SIGNATURES AFFIXED
BY HEARINGS DIVISION UNPROTESTED MASTER ORDER
DATED FEBRUARY 13, 2018)**