RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL & GAS DOCKET NO. 7B-0308889

GOOD FAITH CLAIM REVIEW AT THE REQUEST OF OHLHAUSEN OIL COMPANY (OPERATOR NO. 619390) FOR THE WARSHAW, JESSE (RRC GAS ID NO. 073608) LEASE, WELL NO. 3, CLAYTONVILLE (CANYON SD. 5200) FIELD, FISHER COUNTY, TEXAS

FINDING OF FACT

- 1. Ohlhausen holds Form P-5 Organization Report Operator No. 619390.
- 2. Ohlhausen is the current Form P-4 Certificate of Compliance and Transportation Authority operator of record for the Warshaw, Jesse (RRC Gas ID No. 073608) Lease, Well No. 3, Claytonville (Canyon Sd. 5200) Field, Fisher County, Texas.
- 3. On or about June 19, 2014, Betty Dove and Chester L. Warshaw submitted to the Commission a complaint letter alleging that Ohlhausen lacks authority to operate the Warshaw, Jesse (RRC Gas ID No. 073608) Lease, Well No. 3, Claytonville (Canyon Sd. 5200) Field, Fisher County, Texas.
- 4. On September 17, 2014, Administrative Law Judge Johnson found, after notice and opportunity for hearing, that Ohlhausen did not have a good faith claim to operate the Warshaw, Jesse (RRC Gas ID No. 073608) Lease, Well No. 3, Claytonville (Canyon Sd. 5200) Field, Fisher County, Texas. Ohlhausen was ordered to plug the well.
- 5. The Warshaw, Jesse (RRC Gas ID No. 073608) Lease, Well No. 3, Claytonville (Canyon Sd. 5200) Field, Fisher County, Texas, has a good faith claim hold on the lease.
- 6. On January 26, 2018, Ohlhausen filed with the Commission an application for review of a good faith claim to operate the Warshaw, Jesse (RRC Gas ID No. 073608) Lease, Well No. 3, Claytonville (Canyon Sd. 5200) Field, Fisher County, Texas.
- 7. 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)].
- 8. Ohlhausen's Form P-5 is active-ext. Ohlhausen has a \$50,000.00 bond as its financial assurance.
- 9. On or about January 26, 2018, Ohlhausen filed with the Commission evidence sufficient to establish a good faith claim right to operate the Warshaw, Jesse (RRC

Gas ID No. 073608) Lease, Well No. 3, Claytonville (Canyon Sd. 5200) Field, Fisher County, Texas.

- 10. The good faith claim hold on the Warshaw, Jesse (RRC Gas ID No. 073608) Lease, Well No. 3, Claytonville (Canyon Sd. 5200) Field, Fisher County, Texas should be removed.
- 11. Ohlhausen has filed with the Commission a letter waving his right to a motion for rehearing so that the Final Order will be final on the date that it is signed by the Commission.

CONCLUSIONS OF LAW

- 1. All things necessary to the Commission attaining jurisdiction have occurred.
- 2. Ohlhausen has a "good faith claim" to operate the Warshaw, Jesse (RRC Gas ID No. 073608) Lease, Well No. 3, Claytonville (Canyon Sd. 5200) Field, Fisher County, Texas.
- 3. The good faith claim hold on the Warshaw, Jesse (RRC Gas ID No. 073608) Lease, Well No. 3, Claytonville (Canyon Sd. 5200) Field, Fisher County, Texas should be removed.

THEREFORE, THE RAILROAD COMMISSION OF TEXAS HEREBY FINDS that the good faith claim hold placed on the Warshaw, Jesse (RRC Gas ID No. 073608) Lease, Well No. 3, Claytonville (Canyon Sd. 5200) Field, Fisher County, Texas, should be **REMOVED**.

Pursuant to §2001.144(a)(4)(A) of the Texas Government Code and by agreement of the party in writing or on the record, the party has waived the right to file a Motion for Rehearing and this Final Order is effective on the date the Master Order relating to the Final Order is signed.

Done this 20th day of March 2018, Austin, Texas.

Railroad Commission of Texas (Order approved and signatures affixed by Hearings Division Unprotested Master Order dated March 20, 2018)