

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 09-0309164

SINGLE SIGNATURE P-4 FILING OF BREEZE OIL, LLC (OPERATOR NO. 090706) FOR THE MADDOX, J.W. -B- 40 ACRES (04226) LEASE, MONTAGUE COUNTY REGULAR FIELD, MONTAGUE COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM BREEZE, JAMES R. (OPERATOR NO. 090715) TO BREEZE OIL, LLC

FINAL ORDER

The Railroad Commission of Texas ("Commission" or "RRC") finds that after statutory notice and an opportunity for hearing regarding the captioned proceeding, James R. Breeze and any other potential claimants failed to request a hearing and did not otherwise respond such that this docketed case can proceed as a default. This proceeding having been duly 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 or about February 5, 2018, Breeze Oil, LLC ("Breeze"), RRC Operator No. 090706, filed a single-signature Form P-4 *Certificate of Compliance and Transportation Authority* ("Form P-4") requesting that it be designated the Commission operator of record for the Maddox, J.W. -B- 40 Acres (04226) Lease ("Lease"). The Form P-4 did not contain the signature of the current Commission operator of record for the Lease.
2. Filed with the Form P-4 was a death certificate indicating that the current operator of record, James R. Breeze, was deceased as of November 1, 2017.
3. James R. Breeze, RRC Operator No. 090715, is the current Commission operator of record for the Lease.
4. In a letter dated March 1, 2018, a Commission Administrative Law Judge ("ALJ") requested in writing that any potential claimants either: (1) provide evidence that they hold a "good faith claim" to a continuing right to operate the referenced property; or (2) request a hearing on the matter on or before April 2, 2018. This letter expressly notified potential claimants that failure to timely request a hearing would constitute waiver of the provided opportunity to request a hearing for this proceeding. The letter was sent via first-class mail to James R. Breeze's address of record at the Commission as identified in James R. Breeze's most recent filing of Commission Form P-5 *Organization Report* ("Form P-5").

5. 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).
6. No one responded to the ALJ’s March 1, 2018 letter or requested a hearing.
7. At least ten days’ notice of an opportunity for hearing was given to Breeze and James R. Breeze’s estate.
8. James R. Breeze is delinquent in filing the annual Form P-5.
9. To demonstrate its good faith claim to operate the Lease, Breeze submitted documentation, including documentation that its principal—James Bradley Breeze and son of James R. Breeze—has authority to conduct business regarding James R. Breeze’s oil and gas interests.
10. Breeze has a current annual Form P-5 with a \$50,000 letter of credit as its financial assurance. Breeze is currently the record operator of 0 wells. Breeze’s status at the Commission is active.
11. James R. Breeze does not have a good faith claim to operate the Lease.
12. Pursuant to TEX. GOV’T CODE §§ 2001.056 and 2001.062(e), James R. Breeze’s estate was provided an opportunity to request a hearing and failed to do so.
13. Breeze has demonstrated a good faith claim to a continuing right to operate the Lease.
14. The Lease should be transferred to Breeze as operator of record.
15. Breeze 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 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. James R. Breeze does not have a good faith claim, as that term is defined in Statewide Rule 15(a)(5), to continue operating the Lease. 16 TEX. ADMIN. CODE § 3.15(a)(5).
4. Breeze does have a good faith claim to operate the Lease.
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 is final on the date the Master Order relating to the Final Order is signed.**

Ordering Provisions

IT IS THEREFORE ORDERED that the application of Breeze to change the RRC operator of record for the Lease is **APPROVED** and Breeze's submitted Form P-4 *Certificate of Compliance and Transportation Authority* reflecting itself as the current operator for the Lease is hereby **APPROVED** subject to the provisions of TEX. NAT. RES. CODE §§ 91.107, 91.114 and 91.142, and 16 TEX. ADMIN. CODE §§ 3.15 and 3.78.

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 24th day of April 2018, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by HD
Unprotested Master Order dated April 24, 2018)

JNC/mls