

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 05-0310092

SINGLE SIGNATURE P-4 FILING OF J.F.W. EQUIPMENT, INC. (OPERATOR NO. 427617) FOR THE WARD, SEALE, ET AL (02123) LEASE, WELL NO. 1, PLEASANT RIDGE (WOODBINE) FIELD, LEON COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM AMERRIL ENERGY LLC (OPERATOR NO. 019786) TO J.F.W. EQUIPMENT, INC.

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 Amerril Energy LLC (Operator No. 019786), ("Amerril Energy"), and J.F.W. Equipment, Inc. (Operator No. 427617), ("J.F.W. Equipment").
2. Amerril Energy is the operator of record for the Ward, Seale, et al (02123) Lease, Well No. 1, Pleasant Ridge (Woodbine) Field, Leon County, Texas.
3. On or about March 15, 2018, J.F.W. Equipment submitted to the Commission a Form P-4 *Certificate of Compliance and Transportation Authority* requesting transfer of the Ward, Seale, et al (02123) Lease, Well No. 1, Pleasant Ridge (Woodbine) Field, Leon County, Texas, from Amerril Energy to J.F.W. Equipment, as operator of record.
4. All Commission correspondence to Amerril Energy was sent via United States Postal Service first-class mail to Amerril Energy's address of record, as set forth on Amerril Energy's most recent Form P-5 *Organization Report*.
5. All Commission correspondence to J.F.W. Equipment was sent via United States Postal Service first-class mail to J.F.W. Equipment's address of record, as set forth on J.F.W. Equipment's most recent Form P-5 *Organization Report*.
6. On or about March 22, 2018, the Administrative Law Judge requested in writing that Amerril Energy 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 April 23, 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. Amerril Energy's Form P-5 is delinquent. Amerril Energy had a \$650,000.00 bond as its financial assurance at the time of the last Form P-5 annual renewal submission.
8. J.F.W. Equipment's Form P-5 is active. J.F.W. Equipment has a \$25,000.00 bond 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 June 2015.
11. Amerril Energy failed to reply to the Administrative Law Judge's letter dated March 22, 2018, 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. Amerril Energy 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), Amerril Energy and J.F.W. Equipment have waived the opportunity to request a hearing on the matter.
14. J.F.W. Equipment now asserts a "good faith claim" to a continuous right to operate the subject lease.
15. The Ward, Seale, et al (02123) Lease, Well No. 1, Pleasant Ridge (Woodbine) Field, Leon County, Texas, should be transferred to J.F.W. Equipment 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. Amerril Energy does not have a "good faith claim" to continue to operate the Ward, Seale, et al (02123) Lease, Well No. 1, Pleasant Ridge (Woodbine) Field, Leon County, Texas.
5. J.F.W. Equipment does have a "good faith claim" to continue to operate the Ward, Seale, et al (02123) Lease, Well No. 1, Pleasant Ridge (Woodbine) Field, Leon County, Texas.

IT IS THEREFORE ORDERED that the application of J.F.W. Equipment, 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 §§ 91.1041, 91.1042, 91.107, 91.114, 91.142 and TEX. ADMIN. CODE § 3.15, 3.58, and 3.78. If after 90 days J.F.W. Equipment, Inc. has not met the requirements of the listed provisions, this Order shall be **VOID** and the subject Form P-4 shall be marked as *Unable to Process* and archived.

It is further **ORDERED** by the Commission that this order shall be effective on May 22, 2018, when the Master Order relating to this Final Order is signed.

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

Done this 22nd day of May 2018, Austin, Texas.

**Railroad Commission of Texas (Order approved
and signatures affixed by Hearings Division
Unprotested Master Order dated May 22, 2018)**