

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 08-0312147

SINGLE SIGNATURE P-4 FILING OF ECOSTREAM LLC (OPERATOR NO. 241413) FOR THE GRAHAM -C- (37771) LEASE, WELL NO. 3D, SPRABERRY (TREND AREA) FIELD, MARTIN COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM BELLOWS OPERATING CO., L. C. (OPERATOR NO. 063857) TO ECOSTREAM LLC

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 Bellows Operating Co., L. C. (Operator No. 063857), ("Bellows"), and EcoStream LLC (Operator No. 241413), ("EcoStream").
2. Bellows is the operator of record for the Graham -C- (37771) Lease, Well No. 3D, Spraberry (Trend Area) Field, Martin County, Texas.
3. On or about June 15, 2018, EcoStream submitted to the Commission a Form P-4 *Certificate of Compliance and Transportation Authority* requesting transfer of the Graham -C- (37771) Lease, Well No. 3D, Spraberry (Trend Area) Field, Martin County, Texas, from Bellows to EcoStream, as operator of record.
4. All Commission correspondence to Bellows was sent via United States Postal Service first-class mail to Bellows's address of record, as set forth on Bellows's most recent Form P-5 *Organization Report*.
5. All Commission correspondence to EcoStream was sent via United States Postal Service first-class mail to EcoStream's address of record, as set forth on EcoStream's most recent Form P-5 *Organization Report*.
6. On or about June 18, 2018, the Administrative Law Judge requested in writing that Bellows 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 July 20, 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. Bellows's Form P-5 is delinquent. Bellows had a \$50,000.00 letter of credit as its financial assurance at the time of the last Form P-5 annual renewal submission.

8. EcoStream's Form P-5 is active.
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 February 2006.
11. Bellows failed to reply to the Administrative Law Judge's letter dated June 18, 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. Bellows 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), Bellows and EcoStream have waived the opportunity to request a hearing on the matter.
14. EcoStream now asserts a "good faith claim" to a continuous right to operate the subject lease.
15. The Graham -C- (37771) Lease, Well No. 3D, Spraberry (Trend Area) Field, Martin County, Texas, should be transferred to EcoStream 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. Bellows does not have a "good faith claim" to continue to operate the Graham -C- (37771) Lease, Well No. 3D, Spraberry (Trend Area) Field, Martin County, Texas.
5. EcoStream does have a "good faith claim" to continue to operate the Graham -C- (37771) Lease, Well No. 3D, Spraberry (Trend Area) Field, Martin County, Texas.

IT IS THEREFORE ORDERED that the application of EcoStream LLC 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 after the order becomes final, EcoStream LLC 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 August 21, 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 21st day of August 2018, Austin, Texas.

**Railroad Commission of Texas (Order approved
and signatures affixed by Hearings Division
Unprotested Master Order dated August 21, 2018)**