

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 06-0310853

SINGLE SIGNATURE P-4 FILING OF MILLENNIUM MINERALS CORPORATION (567491) FOR THE TAYLOR, W.B., -H- (02854) LEASE, WELL NOS. 3, 13, 36, 37 AND 49, LONGWOOD (GOODLAND LIME) FIELD, HARRISON COUNTY, TEXAS TO CHANGE THE OPERATOR FROM GREAT NORTHERN ENERGY, INC. (328627) TO MILLENNIUM MINERALS CORPORATION

FINAL ORDER

The Railroad Commission of Texas (“Commission” or “RRC”) finds that after statutory notice and an opportunity for hearing regarding the captioned proceeding, Great Northern Energy, Inc. failed to request a hearing and did not otherwise respond such that this 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 April 23, 2018, Millennium Minerals Corporation (“Millennium”), RRC Operator No. 567491, filed a single-signature Commission Form P-4 *Certificate of Compliance and Transportation Authority* (“Form P-4”) requesting that it be designated the Commission operator of record for the Taylor, W.B., -H- Lease, Lease No. 02854, Well Nos. 3, 13, 36, 37 and 49 (“Wells”). The Form P-4 did not contain the signature of the current Commission operator of record for the Wells.
2. Great Northern Energy, Inc. (“Great Northern”), RRC Operator No. 328627, is the current Commission operator of record for the Wells.
3. In a letter dated May 14, 2018, a Commission Administrative Law Judge (“ALJ”) requested in writing that Great Northern 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 June 13, 2018. This letter expressly notified Great Northern that failure to timely request a hearing would constitute waiver of the opportunity to request a hearing for this proceeding. The letter was sent via first-class mail to Great Northern’s address of record at the Commission as identified in Great Northern’s most recent filing of Commission Form P-5 *Organization Report* (“Form P-5”).
4. 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).

5. Great Northern failed to provide evidence that it holds a good faith claim to a continuing right to operate the Wells, failed to respond to the ALJ’s May 14, 2018 letter and failed to request a hearing.
6. At least ten days’ notice of an opportunity for hearing was given to Millennium and Great Northern.
7. To demonstrate its good faith claim to operate the Wells, Millennium presented documentation including a Sheriff’s Sale Deed in Execution of Judgment conveying to Millennium the right to operate and produce the Wells. Millennium also provided a notarized statement from mineral interest owners stating that Millennium has a lease in effect and has a right to operate the Wells.
8. Millennium has a current Form P-5 with a \$50,000 cash deposit as its financial assurance. Millennium is currently the record operator of zero wells. Millennium’s status at the Commission is active.
9. Great Northern does not have a good faith claim to operate the Wells.
10. Pursuant to TEX. GOV’T CODE §§ 2001.056 and 2001.062(e), Great Northern was provided an opportunity to request a hearing and failed to do so.
11. Millennium has demonstrated a good faith claim to a continuing right to operate the Wells.
12. The Wells should be transferred to Millennium as operator of record.

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. Great Northern does not have a good faith claim, as that term is defined in Statewide Rule 15(a)(5), to continue operating the Wells. 16 TEX. ADMIN. CODE § 3.15(a)(5).
4. Millennium does have a good faith claim to operate the Wells.

Ordering Provisions

IT IS THEREFORE ORDERED that the application of Millennium to change the RRC operator of record for the Wells is **APPROVED** and Millennium's submitted Form P-4 *Certificate of Compliance and Transportation Authority* reflecting itself as the current operator for the Wells is hereby **APPROVED** subject to the provisions of TEX. NAT. RES. CODE §§ 91.1041, 91.1042, 91.107, 91.114 and 91.142 and TEX. ADMIN. CODE § 3.15, 3.58 and 3.78. If 90 days after the order becomes final, Millennium has not met the requirements of the listed provisions, this Final Order shall be **VOID** and the subject Form P-4 shall be marked as *Unable to Process* and archived.

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

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) and 16 TEX. ADMIN. CODE § 1.128(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 100 days from the date the Commission Order is signed.

Done this 21st day of August 2018, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by HD
Unprotested Master Order dated August 21,
2018)

JNC/mls