

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 01-0312119

SINGLE SIGNATURE P-4 FILING OF SEGURO WELL SERVICE, INC. (OPERATOR NO. 763294) FOR THE PARKER, MARY ET AL (13429) LEASE, WELL NO. 1, PILGRIM (AUSTIN CHALK) FIELD, GONZALES COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM ONE MADISON ENERGY, INC. (OPERATOR NO. 623255) TO SEGURO WELL SERVICE, 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 One Madison Energy, Inc. (Operator No. 623255), ("One Madison"), and Seguro Well Service, Inc. (Operator No. 763294), ("Seguro").
2. One Madison is the operator of record for the Parker, Mary Et Al (13429) Lease, Well No. 1, Pilgrim (Austin Chalk) Field, Gonzales County, Texas.
3. On or about June 15, 2018, Seguro submitted to the Commission a Form P-4 *Certificate of Compliance and Transportation Authority* requesting transfer of the Parker, Mary Et Al (13429) Lease, Well No. 1, Pilgrim (Austin Chalk) Field, Gonzales County, Texas, from One Madison to Seguro, as operator of record.
4. All Commission correspondence to One Madison was sent via United States Postal Service first-class mail to One Madison's address of record, as set forth on One Madison's most recent Form P-5 *Organization Report*.
5. All Commission correspondence to Seguro was sent via United States Postal Service first-class mail to Seguro's address of record, as set forth on Seguro's most recent Form P-5 *Organization Report*.
6. On or about June 18, 2018, the Administrative Law Judge requested in writing that One Madison 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 18, 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. One Madison's Form P-5 is delinquent.

8. Seguro's Form P-5 is active. Seguro has a \$50,000.00 letter of credit 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 January 1993.
11. One Madison 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. One Madison 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), One Madison and Seguro have waived the opportunity to request a hearing on the matter.
14. Seguro now asserts a "good faith claim" to a continuous right to operate the subject lease.
15. The Parker, Mary Et Al (13429) Lease, Well No. 1, Pilgrim (Austin Chalk) Field, Gonzales County, Texas, should be transferred to Seguro 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. One Madison does not have a "good faith claim" to continue to operate the Parker, Mary Et Al (13429) Lease, Well No. 1, Pilgrim (Austin Chalk) Field, Gonzales County, Texas.
5. Seguro does have a "good faith claim" to continue to operate the Parker, Mary Et Al (13429) Lease, Well No. 1, Pilgrim (Austin Chalk) Field, Gonzales County, Texas.

IT IS THEREFORE ORDERED that the application of Seguro Well Service, 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 after the order becomes final, Seguro Well Service, 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 September 18, 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 18th day of September 2018, Austin, Texas.

Railroad Commission of Texas (Order approved and signatures affixed by Hearings Division Unprotested Master Order dated September 18, 2018)