

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

Oil & Gas Docket No. 08-0310247

APPLICATION OF B. B. & C. TO SUPERSEDE THE FINAL ORDER IN OIL & GAS DOCKET NO. 08-0307960: COMPLAINT OF JAMES LYNN GLASS THAT B. B. & C. (OPERATOR NO. 039890) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE INACTIVE WELLS ON THE COLLINS LEASE (LEASE NO. 41287), HOWARD GLASSCOCK (CONSOLIDATED) FIELD, MITCHELL COUNTY, TEXAS

Final Order

The Railroad Commission of Texas ("Commission" or "RRC") finds that after statutory notice the above-captioned proceeding was heard by a Commission Administrative Law Judge and Technical Examiner on September 13, 2018. 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. B. B. & C. ("Applicant"), RRC Operator No. 039890, filed an application to supersede provisions in the Final Order ("Prior Order") entered on February 13, 2018, in Oil & Gas Docket No. 08-0307960 requiring it to plug the inactive wells (the "Wells") on the Collins Lease, Lease No. 41287.
2. On August 13, 2018, Commission staff sent a Notice of Hearing via first class mail to both Applicant and James Lynn Glass ("Complainant"), setting a hearing on the merits date of September 13, 2018. Consequently, both parties received more than 10 days' notice. The Notice of Hearing contains (1) a statement of the time, place, and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be held; (3) a reference to the particular sections of the statutes and rules involved; and (4) a short and plain statement of the matters asserted.
3. At a prehearing conference held on August 24, 2018, Applicant acknowledged that the underlying contractual lease had terminated, and that Applicant had no good faith claim to operate the Wells.
4. The hearing on the merits was held on September 13, 2018. Complainant appeared. Applicant did not appear.
5. At the hearing, Complainant provided release acknowledging termination of the contractual lease relied on by Applicant.

6. Applicant does not have a good faith claim to operate the Wells.
7. Absent a good faith claim to operate, the Wells are not eligible for extensions to the plugging requirements in Statewide Rule 14 and 15 as provided for in Statewide Rule 15(e).
8. The Wells should be plugged and any plugging extensions relating to it should be revoked.

Conclusions of Law

1. Proper notice of opportunity for hearing was timely issued to 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. B. B. & C. 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. The Wells are not eligible for a plugging extension and the Wells should be plugged.
5. Applicant's request to supersede the Prior Order should be denied.

Ordering Provisions

IT IS THEREFORE ORDERED that B. B. & C.'s application to supersede provisions in the Prior Order is **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 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), 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 parties are notified of this order in accordance with TEX. GOV'T CODE § 2001.144.

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

Done this 16th day of October 2018 in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by HD
Unprotested Master Order dated October 16,
2018)

JNC/mls