

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 8A-0313941

SINGLE SIGNATURE P-4 FILING OF NORTH FORK PETROLEUM, LLC (OPERATOR NO. 613801) FOR THE COBLE "C" (03566) LEASE, WELL NOS. 1, 2, 3, 5W, 7W, 8, 9WS, AND 10W, LEVELLAND FIELD, HOCKLEY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM OIL MANAGEMENT CORPORATION (OPERATOR NO. 620480) TO NORTH FORK PETROLEUM, 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 Oil Management Corporation (Operator No. 620480), ("Oil Management"), and North Fork Petroleum, LLC (Operator No. 613801), ("North Fork").
2. Oil Management is the operator of record for the Coble "C" (03566) Lease, Well Nos. 1, 2, 3, 5W, 7W, 8, 9WS, and 10W, Levelland Field, Hockley County, Texas.
3. On or about July 20, 2018, North Fork submitted to the Commission a Form P-4 *Certificate of Compliance and Transportation Authority* requesting transfer of the Coble "C" (03566) Lease, Well Nos. 1, 2, 3, 5W, 7W, 8, 9WS, and 10W, Levelland Field, Hockley County, Texas, from Oil Management to North Fork, as operator of record.
4. All Commission correspondence to Oil Management was sent via United States Postal Service first-class mail to Oil Management's address of record, as set forth on Oil Management's most recent Form P-5 *Organization Report*.
5. All Commission correspondence to North Fork was sent via United States Postal Service first-class mail to North Fork's address of record, as set forth on North Fork's most recent Form P-5 *Organization Report*.
6. On or about August 8, 2018, the Administrative Law Judge requested in writing that Oil Management 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 September 9, 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. Oil Management's Form P-5 is delinquent. Oil Management had a \$50,000.00 bond as its financial assurance at the time of the last Form P-5 annual renewal submission.
8. North Fork's Form P-5 is active. North Fork has a \$25,000.00 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 November 2016.
11. Oil Management failed to reply to the Administrative Law Judge's letter dated August 8, 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. Oil Management 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), Oil Management and North Fork have waived the opportunity to request a hearing on the matter.
14. North Fork now asserts a "good faith claim" to a continuous right to operate the subject lease.
15. The Coble "C" (03566) Lease, Well Nos. 1, 2, 3, 5W, 7W, 8, 9WS, and 10W, Levelland Field, Hockley County, Texas, should be transferred to North Fork 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. Oil Management does not have a "good faith claim" to continue to operate the Coble "C" (03566) Lease, Well Nos. 1, 2, 3, 5W, 7W, 8, 9WS, and 10W, Levelland Field, Hockley County, Texas.
5. North Fork does have a "good faith claim" to continue to operate the Coble "C" (03566) Lease, Well Nos. 1, 2, 3, 5W, 7W, 8, 9WS, and 10W, Levelland Field, Hockley County, Texas.

IT IS THEREFORE ORDERED that the application of North Fork Petroleum, 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, North Fork Petroleum, 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 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), 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 Commission Order is signed.

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

Done this 30th day of October 2018, Austin, Texas.

**Railroad Commission of Texas (Order approved,
and signatures affixed by Hearings Division
Unprotested Master Order dated October 30, 2018)**