

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 06-0315462

SINGLE SIGNATURE P-4 FILING OF MT ENERGY LLC (OPERATOR NO. 518947) FOR THE ABNEY, ABNEY & WHELAN -G- (03008) LEASE, WELL NOS. 6, 11, 12, 13, 16, 17, 18, 19, AND 21, LONGWOOD (GOODLAND LIME) FIELD, HARRISON COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM L-TEXX PETROLEUM, LP (OPERATOR NO. 480266) TO MT ENERGY 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 L-Textx Petroleum, LP (Operator No. 480266), ("L-TEXX"), and MT Energy LLC (Operator No. 518947), ("MT Energy").
2. L-TEXX is the operator of record for the Abney, Abney & Whelan -G- (03008) Lease, Well Nos. 6, 11, 12, 13, 16, 17, 18, 19, and 21, Longwood (Goodland Lime) Field, Harrison County, Texas.
3. On or about September 17, 2018, MT Energy submitted to the Commission a Form P-4 *Certificate of Compliance and Transportation Authority* and a Commission Form P-6 *Request for Permission to Subdivide or Consolidate Oil Lease(s)* requesting transfer of the Abney, Abney & Whelan -G- (03008) Lease, Well Nos. 6, 11, 12, 13, 16, 17, 18, 19, and 21, Longwood (Goodland Lime) Field, Harrison County, Texas, from L-TEXX to MT Energy, as operator of record.
4. All Commission correspondence to L-TEXX was sent via United States Postal Service first-class mail to L-TEXX's address of record, as set forth on L-TEXX's most recent Form P-5 *Organization Report*.
5. All Commission correspondence to MT Energy was sent via United States Postal Service first-class mail to MT Energy's address of record, as set forth on MT Energy's most recent Form P-5 *Organization Report*.
6. On or about November 1, 2018, the Administrative Law Judge requested in writing that L-TEXX 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 December 3, 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. L-TEXX's Form P-5 is delinquent. L-TEXX had a \$50,000.00 bond as its financial assurance at the time of the last Form P-5 annual renewal submission.
8. MT Energy's Form P-5 is active-ext. MT Energy has a \$25,000.00 cash deposit 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 December 2006.
11. L-TEXX failed to reply to the Administrative Law Judge's letter dated November 1, 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. L-TEXX 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), L-TEXX and MT Energy have waived the opportunity to request a hearing on the matter.
14. MT Energy now asserts a "good faith claim" to a continuous right to operate the subject lease.
15. The Abney, Abney & Whelan -G- (03008) Lease, Well Nos. 6, 11, 12, 13, 16, 17, 18, 19, and 21, Longwood (Goodland Lime) Field, Harrison County, Texas, should be transferred to MT Energy 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. L-TEXX does not have a "good faith claim" to continue to operate the Abney, Abney & Whelan -G- (03008) Lease, Well Nos. 6, 11, 12, 13, 16, 17, 18, 19, and 21, Longwood (Goodland Lime) Field, Harrison County, Texas.
5. MT Energy does have a "good faith claim" to continue to operate the Abney, Abney & Whelan -G- (03008) Lease, Well Nos. 6, 11, 12, 13, 16, 17, 18, 19, and 21, Longwood (Goodland Lime) Field, Harrison County, Texas.

IT IS THEREFORE ORDERED that the application of MT Energy LLC for transfer of the Form P-4 "Certificate of Compliance and Transportation Authority" and Commission Form P-6 "Request for Permission to Subdivide or Consolidate Oil Lease(s)" are 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, MT Energy LLC has not met the requirements of the listed provisions, this Order shall be **VOID** and the subject Form P-4 and Form P-6 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 11th day of December 2018, Austin, Texas.

**Railroad Commission of Texas (Order approved
and signatures affixed by Hearings Division
Unprotested Master Order dated December 11,
2018)**