

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 04-0315264

COMPLAINT OF OMAR ELIZONDO THAT HILCORP ENERGY COMPANY (OPERATOR NO. 386310) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE DOMINGUEZ (RRC GAS ID NO. 214700) LEASE, WELL NO. 2, ROLETA (WILCOX CONSOLIDATED) FIELD, ZAPATA COUNTY, TEXAS.

FINAL ORDER

The Commission finds that after notice and opportunity for hearing, the Complainant did not respond to evidence of Respondent's good faith claim of the captioned well, which evidence was adequate to establish the good faith claim. 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.

FINDINGS OF FACT

1. Proper notice was given to Hilcorp Energy Company ("Hilcorp") Operator No. 386310 of Complainant's filings, and Hilcorp's letter response and associated documentation was properly furnished to Complainant.
2. Hilcorp is the operator of record for the Dominguez (RRC Gas Id No. 214700) Lease, Well No. 2, Roleta (Wilcox Consolidated) Field, Zapata County, Texas, and, based on the evidence submitted, holds title to the oil and gas lease(s) covering the captioned tracts and wells.
3. On or about September 26, 2018, the Administrative Law Judge requested in writing that Hilcorp 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 October 26, 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.
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."

5. By letter dated October 24, 2018, Hilcorp provided evidence that it holds a “good faith claim” to a continuing right to operate the referenced well and leases. Such letter with attachments was also sent to Complainant.
6. From such evidence, to which Complainant did not respond, Hilcorp holds a “good faith claim” to operate the referenced property.
7. Pursuant to TEX. GOV’T CODE §§ 2001.056 and 2001.062(e), the parties waived the opportunity to request a hearing on the matter.
8. Hllcorp asserts, and has furnished evidence to confirm, a “good faith claim” to a continuous right to operate the referenced property.
9. Hllcorp shall continue as the operator of the Dominguez (RRC Gas Id No. 214700) Lease, Well No. 2, Roleta (Wilcox Consolidated) Field, Zapata County, Texas, and the Complaint should be dismissed.

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 have occurred.
3. Resolution of this docket is a matter committed to the jurisdiction of the Commission. TEX. GOV’T CODE § 81.051.
4. Hilcorp does have a “good faith claim” to continue to operate the subject lease and well.

IT IS THEREFORE ORDERED that the Complaint shall be **DISMISSED**.

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 90 days from the date Commission Order is signed.

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

Done this 23rd day of January 2019 in Austin,
Texas.

**RAILROAD COMMISSION OF TEXAS
(ORDER APPROVED AND SIGNATURES AFFIXED BY
HEARINGS DIVISION UNPROTESTED MASTER
ORDER DATED JANUARY 23, 2019)**