

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NOS. 08-0316465, 08-0316466, 08-0316468, 08-0316469, 08-0316470, 08-0316471, 08-0316472**

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**COMPLAINTS BY DENFORD DEVELOPMENT, LLC THAT MILLENNIUM RESOURCES, LP (567484) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE WOOD, DONALD D. (27271) LEASE, WELL NOS. 1 AND 2, WOOD, DONALD -A- (28244) LEASE, WELL NOS. 3 AND 4, WOOD, DONALD -B- (28706) LEASE, WELL NOS. 5, 6, 7, MOORE FIELD (62711001), HOWARD COUNTY, TEXAS**

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**FINAL ORDER**

The Commission finds that after notice and opportunity for hearing, the operator of the captioned lease does not maintain a "good faith claim" to operate the captioned lease. 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. Millennium Resources, LP ("Millennium") holds Form P-5 *Organization Report* Operator No. 567484. Millennium is the current Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the Wood, Donald D. (27271) Lease, Well Nos. 1 and 2, Wood, Donald -A- (28244) Lease, Well Nos. 3 and 4, Wood, Donald -B- (28706) Lease, Well Nos. 5, 6, 7, Moore Field (62711001), Howard County, Texas.
2. On or about November 16, 2018, Denford Development, LLC submitted to the Commission a complaint letter alleging that Millennium lacks authority to operate the Wood, Donald D. (27271) Lease, Well Nos. 1 and 2, Wood, Donald -A- (28244) Lease, Well Nos. 3 and 4, Wood, Donald -B- (28706) Lease, Well Nos. 5, 6, 7, Moore Field (62711001), Howard County, Texas.
3. On or about November 19, 2018, the Administrative Law Judge requested in writing that Millennium 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 19, 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. December 11, 2018, Millennium submitted a written statement that it does not contest this claim that it does not hold a good faith claim to operate the above-referenced wells.
5. Millennium did not request a hearing on the matter.

6. Millennium's Form P-5 is active. Millennium has a \$250,000.00 letter of credit as its financial assurance.
7. Millennium became the Form P-4 *Certificate of Compliance and Transportation Authority* operator of record by filing a Form P-4 for the Wood, Donald D. (27271) Lease, Well Nos. 1 and 2, Wood, Donald -A- (28244) Lease, Well Nos. 3 and 4, Wood, Donald -B- (28706) Lease, Well Nos. 5, 6, 7, Moore Field (62711001), Howard County, Texas effective February 1, 2006.
8. 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." [16 TEX. ADMIN. CODE § 3.15(A)(5)].
9. As demonstrated by its own written submission, Millennium does not have a "good faith claim" to operate the subject lease.
10. Absent a "good faith claim" to operate, the subject lease is not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).
11. Absent eligibility for an extension to the plugging requirements of Statewide Rule 15(e)(3), any plugging extensions of the Wood, Donald D. (27271) Lease, Well Nos. 1 and 2, Wood, Donald -A- (28244) Lease, Well Nos. 3 and 4, Wood, Donald -B- (28706) Lease, Well Nos. 5, 6, 7, Moore Field (62711001), Howard County, Texas, should be cancelled pursuant to Statewide Rule 15(h).

#### **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. Millennium does not have a "good faith claim" to operate the Wood, Donald D. (27271) Lease, Well Nos. 1 and 2, Wood, Donald -A- (28244) Lease, Well Nos. 3 and 4, Wood, Donald -B- (28706) Lease, Well Nos. 5, 6, 7, Moore Field (62711001), Howard County, Texas.
4. The Wood, Donald D. (27271) Lease, Well Nos. 1 and 2, Wood, Donald -A- (28244) Lease, Well Nos. 3 and 4, Wood, Donald -B- (28706) Lease, Well Nos. 5, 6, 7, Moore Field (62711001), Howard County, Texas is not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).
5. Any plugging extensions for the Wood, Donald D. (27271) Lease, Well Nos. 1 and 2, Wood, Donald -A- (28244) Lease, Well Nos. 3 and 4, Wood, Donald -B- (28706) Lease, Well Nos. 5, 6, 7, Moore Field (62711001), Howard County, Texas, should be cancelled pursuant to Statewide Rule 15(h).

**THEREFORE, THE RAILROAD COMMISSION OF TEXAS HEREBY FINDS** that Millennium Resources, LP (Operator No. 567484) does not have a "good faith claim" to operate the Wood, Donald D. (27271) Lease, Well Nos. 1 and 2, Wood, Donald -A- (28244) Lease, Well Nos. 3 and 4, Wood, Donald -B- (28706) Lease, Well Nos. 5, 6, 7, Moore Field (62711001), Howard County, Texas, and **HEREBY ORDERS** that any plugging extensions for the Wood, Donald D. (27271) Lease, Well Nos. 1 and 2, Wood, Donald -A- (28244) Lease, Well Nos. 3 and 4, Wood, Donald -B- (28706) Lease, Well Nos. 5, 6, 7, Moore Field (62711001), Howard County, Texas, be cancelled, that a good-faith-claim hold be placed on any P-4 transfers for such wells, and that Millennium Resources, LP shall plug and abandon the well on the Wood, Donald D. (27271) Lease, Well Nos. 1 and 2, Wood, Donald -A- (28244) Lease, Well Nos. 3 and 4, Wood, Donald -B- (28706) Lease, Well Nos. 5, 6, 7, Moore Field (62711001), Howard County, Texas, in accordance with Statewide Rule 14.

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 23<sup>th</sup> day of January 2019, Austin, Texas.

**Railroad Commission of Texas (Order approved,  
and signatures affixed by Hearings Division  
Unprotested Master Order dated January 23, 2019)**