

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 08-0315192**

---

**SINGLE SIGNATURE P-4 FILING OF POROSITY OIL LLC (OPERATOR NO. 671442) FOR THE JOHNSON "AN" (30696) LEASE, WELL NO. 1, JOHNLAW (YATES) FIELD, PECOS COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM PETERSON OIL AND GAS LLC (OPERATOR NO. 658440) TO POROSITY OIL 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 Peterson Oil and Gas LLC (Operator No. 658440), ("Peterson"), and Porosity Oil LLC (Operator No. 671442), ("Porosity").
2. Peterson is the operator of record for the Johnson "AN" (30696) Lease, Well No. 1, Johnlaw (Yates) Field, Pecos County, Texas.
3. On or about September 27, 2018, Porosity submitted to the Commission a Form P-4 *Certificate of Compliance and Transportation Authority* requesting transfer of the Johnson "an" (30696) Lease, Well No. 1, Johnlaw (Yates) Field, Pecos County, Texas, from Peterson to Porosity, as operator of record.
4. All Commission correspondence to Peterson was sent via United States Postal Service first-class mail to Peterson's address of record, as set forth on Peterson's most recent Form P-5 *Organization Report*.
5. All Commission correspondence to Porosity was sent via United States Postal Service first-class mail to Porosity's address of record, as set forth on Porosity's most recent Form P-5 *Organization Report*.
6. On or about October 9, 2018, the Administrative Law Judge requested in writing that Peterson 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 November 10, 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. Peterson's Form P-5 is active. Peterson has a \$50,000.00 cash deposit as its financial assurance.

8. Porosity's Form P-5 is active. Porosity has a \$50,000.00 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. Peterson failed to reply to the Administrative Law Judge's letter dated October 9, 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.
11. Peterson does not have a "good faith claim" to operate the subject lease.
12. Pursuant to TEX. GOV'T CODE §§ 2001.056 and 2001.062(e), Peterson and Porosity have waived the opportunity to request a hearing on the matter.
13. Porosity now asserts a "good faith claim" to a continuous right to operate the subject lease.
14. The Johnson "an" (30696) Lease, Well No. 1, Johnlaw (Yates) Field, Pecos County, Texas, should be transferred to Porosity 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. Peterson does not have a "good faith claim" to continue to operate the Johnson "an" (30696) Lease, Well No. 1, Johnlaw (Yates) Field, Pecos County, Texas.
5. Porosity does have a "good faith claim" to continue to operate the Johnson "an" (30696) Lease, Well No. 1, Johnlaw (Yates) Field, Pecos County, Texas.

**IT IS THEREFORE ORDERED** that the application of Porosity Oil 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, Porosity Oil 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.

Pursuant to § 2001.144(a)(4)(A) of the Texas Government Code and by agreement of the party, the party has waived the right to file a motion for rehearing and this Order of Dismissal is final and effective on the date it is signed.

Done this 23rd 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)**