

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 01-0315706

COMPLAINT BY JEROME AND JOHN FLIELLER THAT NORDSTRAND ENGINEERING, INC. (OPERATOR NO. 612858) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE FLIELLER, JEROME JR. (RRC GAS ID NO. 102468) LEASE, WELL NO. 2, CINDY ANN (AUSTIN CHALK) FIELD, WILSON COUNTY, TEXAS

FINAL ORDER

The Commission finds that after notice and opportunity for hearing, the operator of the captioned lease failed to respond with evidence purporting to demonstrate that the operator maintains 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. Nordstrand Engineering, Inc. ("Nordstrand") holds Form P-5 *Organization Report* Operator No. 612858. Nordstrand is the current Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the Flieller, Jerome Jr. (RRC Gas ID No. 102468) Lease, Well No. 2, Cindy Ann (Austin Chalk) Field, Wilson County, Texas.
2. On or about October 12, 2018, Jerome and John Flieller submitted to the Commission a complaint letter alleging that Nordstrand lacks authority to operate the Flieller, Jerome Jr. (RRC Gas ID No. 102468) Lease, Well No. 2, Cindy Ann (Austin Chalk) Field, Wilson County, Texas.
3. On or about November 2, 2018, the Administrative Law Judge requested in writing that Nordstrand 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.
4. Nordstrand failed to submit any evidence for a good faith claim or to request a hearing.
5. Nordstrand's Form P-5 is active. Nordstrand has a \$50,000.00 bond as its financial assurance.

6. Nordstrand became the Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the Flieller, Jerome Jr. (RRC Gas ID No. 102468) Lease, Well No. 2, Cindy Ann (Austin Chalk) Field, Wilson County, Texas, by filing a Form P-4 dated effective April 1, 2009. The lease has no reported production since October 2006. The well was permitted as an injection well July 21, 2009. The well has had no reported injection since June 2017. The well currently has a plugging extension.
7. 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)].
8. Nordstrand failed to file any evidence to demonstrate Nordstrand's "good faith claim" to a continuing right to operate the Flieller, Jerome Jr. (RRC Gas ID No. 102468) Lease, Well No. 2, Cindy Ann (Austin Chalk) Field, Wilson County, Texas. Therefore, Nordstrand does not have a "good faith claim" to operate the subject lease.
9. 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).
10. Absent eligibility for an extension to the plugging requirements of Statewide Rule 15(e)(3), any plugging extensions of the Flieller, Jerome Jr. (RRC Gas ID No. 102468) Lease, Well No. 2, Cindy Ann (Austin Chalk) Field, Wilson 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. Nordstrand does not have a "good faith claim" to operate the Flieller, Jerome Jr. (RRC Gas ID No. 102468) Lease, Well No. 2, Cindy Ann (Austin Chalk) Field, Wilson County, Texas.
4. The Flieller, Jerome Jr. (RRC Gas ID No. 102468) Lease, Well No. 2, Cindy Ann (Austin Chalk) Field, Wilson County, Texas is not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).
5. Any plugging extensions for the Flieller, Jerome Jr. (RRC Gas ID No. 102468) Lease, Well No. 2, Cindy Ann (Austin Chalk) Field, Wilson County, Texas, should be cancelled pursuant to Statewide Rule 15(h).

THEREFORE, THE RAILROAD COMMISSION OF TEXAS HEREBY FINDS that Nordstrand Engineering, Inc. (Operator No. 612858) does not have a "good faith claim" to operate the Flieller, Jerome Jr. (RRC Gas ID No. 102468) Lease, Well No. 2, Cindy Ann (Austin Chalk) Field, Wilson County, Texas, and **HEREBY ORDERS** that any plugging extensions for the Flieller, Jerome Jr. (RRC Gas ID No. 102468) Lease, Well No. 2, Cindy Ann (Austin Chalk) Field, Wilson County, Texas, be cancelled, that a good-faith-claim hold be placed on any P-4 transfers for such well, and that Nordstrand Engineering, Inc. shall plug and abandon the well on the Flieller, Jerome Jr. (RRC Gas ID No. 102468) Lease, Well No. 2, Cindy Ann (Austin Chalk) Field, Wilson 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 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)**