

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 09-0315664**

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**COMPLAINT BY KELLY COPELAND THAT WADE, JIM (OPERATOR NO. 889400) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE COPELAND (21688) LEASE, ARCHER COUNTY REGULAR FIELD, WILSON COUNTY, TEXAS**

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**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. Wade, Jim ("Jim Wade") holds Form P-5 *Organization Report* Operator No. 889400. Jim Wade is the current Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the Copeland (21688) Lease, Archer County Regular Field, Wilson County, Texas.
2. On or about October 15, 2018, Kelly Copeland submitted to the Commission a complaint letter alleging that Jim Wade lacks authority to operate the Copeland (21688) Lease, Archer County Regular Field, Wilson County, Texas.
3. On or about October 19, 2018, the Administrative Law Judge requested in writing that Jim Wade 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 January 5, 2019. Jim Wade responded indicating that it had "no intention of trying to produce this lease" and that one well was plugged and the operator held an extension on the other well.
4. On or about, December 6, 2018, the Administrative Law Judge requested in writing that Jim Wade clarify his response indicating he does not assert a good faith claim to operate the lease. The letter indicated that should Jim Wade wish to assert a good faith claim to operate the lease, he should provide evidence of a good faith claim or request a hearing on the matter. A response was due no later than January 7, 2019. 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. Jim Wade did not respond to Administrative Law Judge's letter of December 6, 2018.
5. Jim Wade failed to submit any evidence for a good faith claim or to request a hearing.

6. Jim Wade's Form P-5 is active. Jim Wade has a \$50,000.00 bond as his financial assurance.
7. Jim Wade became the Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the Copeland (21688) Lease, Archer County Regular Field, Wilson County, Texas, by filing a Form P-4 dated effective November 30, 2011. The lease has no reported production since February 2012.
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. Jim Wade failed to file any evidence to demonstrate Jim Wade's "good faith claim" to a continuing right to operate the Copeland (21688) Lease, Archer County Regular Field, Wilson County, Texas. Therefore, Jim Wade does not have a "good faith claim" to operate the subject lease.
10. Absent a "good faith claim" to operate, any wells on the subject lease are 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 for wells on the Copeland (21688) Lease, Archer County Regular 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. Jim Wade does not have a "good faith claim" to operate the Copeland (21688) Lease, Archer County Regular Field, Wilson County, Texas.
4. Any wells on the Copeland (21688) Lease, Archer County Regular Field, Wilson County, Texas are not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).
5. Any plugging extensions for any wells on the Copeland (21688) Lease, Archer County Regular Field, Wilson County, Texas, should be cancelled pursuant to Statewide Rule 15(h).

**THEREFORE, THE RAILROAD COMMISSION OF TEXAS HEREBY FINDS** that Wade, Jim (Operator No. 889400) does not have a "good faith claim" to operate the Copeland (21688) Lease, Archer County Regular Field, Wilson County, Texas, and **HEREBY ORDERS** that any plugging extensions for wells on the Copeland (21688) Lease, Archer

County Regular Field, Wilson County, Texas, be cancelled, that a good-faith-claim hold be placed on any P-4 transfers for any wells on such lease, and that Wade, Jim shall plug and abandon any wells on the Copeland (21688) Lease, Archer County Regular 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.

Signed on February 26, 2019.

**Railroad Commission of Texas (Order approved  
and signatures affixed by Hearings Division  
Unprotested Master Order dated February 26, 2019)**