

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

Final Order

OIL & GAS DOCKET NO. 03-0312830

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the High Island 24-L, N/2, NW/4 (Gas ID No. 244703) Lease, High Is. Blk. 24-L (FJ Sand) (41142500) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312831

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the High Island 24-L, N/2, NW/4 (26021) Lease, High Is. Blk. 24L (FB-C, CM-11) (41209120) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312832

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the State (Gas ID No. 047122) Lease, High Is. Blk. 24L (FB-C, HC) (41209200) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312833

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the State Lease 59455 (Gas ID No. 055960) Lease, High Is. Blk. 24L (FB-C, GK) (41209155) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312834

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the State Lease 59455 (Gas ID No. 047118) Lease, High Is. Blk. 24L (FB-C, HC) (41209200) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312835

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the State Lease 59455 (09707) Lease, High Is. Blk. 24L (FB-C, CM-11) (41209120) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312836

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the State Lease 59456 (Gas ID No. 148594) Lease, High Is. Blk. 24L (FB-E, GP) (41209505) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312837

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the High Island 24L SL 59456 (Gas ID No. 165605) Lease, High Is. Blk. 24L (FB-E, GP) (41209505) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312839

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the High Island 24L SL 59455 (Gas ID No. 174818) Lease, High Is. Blk. 24L (FB-C, GK) (41209155) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312841

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the State Lease 60729 (09726) Lease, High Is. Blk. 24L (FB-A, HC) (41209040) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312842

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the State Lease 60729 (20448) Lease, High Island Blk. 24-L (FB-A, HF) (41209045) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312843

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the State Lease 60729 (26154) Lease, High Island Blk. 24L (FB-DD, HF) (41209491) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312844

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the State Lease 59454 (Gas ID No. 133033) Lease, High Island Blk. 24L (FB-D, HC) (41209360) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312845

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the High Island 24L (SL59455) (Gas ID No. 150773) Lease, High Island Blk. 24L (FB-B, GP) (41209058) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312846

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the State Lease 103389 (25415) Lease, High Is. Blk. 24-L (HD SD) (41142600) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312847

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the State Lease 59454 (Gas ID No. 141065) Lease, High Is. Blk. 24L (FB-DD, HF) (41209491) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312848

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the State Lease 59454 (20820) Lease, High Is. Blk. 24L (FB-DD, HC) (41209490) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312849

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the S/L 59455, High Island 24L (Gas ID No. 138911) Lease, High Is. Blk. 24L (FB-C, HC) (41209200) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312850

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the State Lease 59455 (09695) Lease, High Is. Blk. 24L (FB-C, GL) (41209160) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312851

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the State Lease 59455 (Gas ID No. 047121) Lease, High Is. Blk. 24L (FB-C, HC) (41209200) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312852

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the State Lease 59455 (Gas ID No. 138259) Lease, High Is. Blk. 24L (FB-C, GK) (41209155) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312853

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the High Island 24L SL59456 (Gas ID No. 162015) Lease, High Is. Blk. 24L (FB-E, IG) (41209680) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312854

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the High Island 24L SL59456 (Gas ID No. 167568) Lease, High Is. Blk. 24L (FB-E, HF) (41209600) Field, Jefferson County, Texas

OIL & GAS DOCKET NO. 03-0312855

Complaint by Texas General Land Office that Jefferson Block 24 Oil & Gas LLC Does Not Have a Good Faith Claim to Operate the High Island 24L SL59456 (23759) Lease, High Is. Blk. 24L (FB-E, HC) (41209520) Field, Jefferson County, Texas

The Railroad Commission of Texas ("Commission") finds that after statutory notice in the above-docketed cases, heard on November 26, 2018, the presiding Administrative Law Judge and Technical Examiner have made and filed a Proposal for Decision containing findings of fact and conclusions of law, which was served on all parties of record, and that this proceeding was duly submitted to the Railroad Commission of Texas at a conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the Proposal for Decision and the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, adopts as its own the findings of fact and conclusions of law contained therein, and incorporates those findings of fact and conclusions of law as if fully set out and separately stated herein.

It is **ORDERED** that the Texas General Land Office's request in its complaint that the Commission find Jefferson Block 24 Oil & Gas LLC ("Jefferson") does not have a good faith claim to operate the subject gulf wells located of the coast in Jefferson County is **GRANTED**. The wells ("Wells") include:

1. API No. 708-0094
 - Oil & Gas Docket No. 03-0312830: the High Island 24-L, N/2, NW/4 (Gas ID No. 244703) Lease, High Is. Blk. 24-L (FJ Sand) (41142500) Field
 - Oil & Gas Docket No. 03-0312831: the High Island 24-L, N/2, NW/4 (26021) Lease, High Is. Blk. 24L (FB-C, CM-11) (41209120) Field
2. API No. 708-00112
 - Oil & Gas Docket No. 03-0312832: the State (Gas ID No. 047122) Lease, High Is. Blk. 24L (FB-C, HC) (41209200) Field
 - Oil & Gas Docket No. 03-0312833: the State Lease 59455 (Gas ID No. 055960) Lease, High Is. Blk. 24L (FB-C, GK) (41209155) Field
3. API No. 708-00113
 - Oil & Gas Docket No. 03-0312834: the State Lease 59455 (Gas ID No. 047118) Lease, High Is. Blk. 24L (FB-C, HC) (41209200) Field
 - Oil & Gas Docket No. 03-0312835: the State Lease 59455 (09707) Lease, High Is. Blk. 24L (FB-C, CM-11) (41209120) Field
4. API No. 708-30032
 - Oil & Gas Docket No. 03-0312836: the State Lease 59456 (Gas ID No. 148594) Lease, High Is. Blk. 24L (FB-E, GP) (41209505) Field

5. API No. 708-30046
 - Oil & Gas Docket No. 03-0312837: the High Island 24L SL 59456 (Gas ID No. 165605) Lease, High Is. Blk. 24L (FB-E, GP) (41209505) Field
6. API No. 708-30311
 - Oil & Gas Docket No. 03-0312839: the High Island 24L SL 59455 (Gas ID No. 174818) Lease, High Is. Blk. 24L (FB-C, GK) (41209155) Field
7. API No. 708-30315
 - Oil & Gas Docket No. 03-0312841: the State Lease 60729 (09726) Lease, High Is. Blk. 24L (FB-A, HC) (41209040) Field
 - Oil & Gas Docket No. 03-0312842: the State Lease 60729 (20448) Lease, High Island Blk. 24-L (FB-A, HF) (41209045) Field
8. API No. 708-30316
 - Oil & Gas Docket No. 03-0312843: the State Lease 60729 (26154) Lease, High Island Blk. 24L (FB-DD, HF) (41209491) Field
9. API No. 708-30318
 - Oil & Gas Docket No. 03-0312844: the State Lease 59454 (Gas ID No. 133033) Lease, High Island Blk. 24L (FB-D, HC) (41209360) Field
10. API No. 708-30322
 - Oil & Gas Docket No. 03-0312845: the High Island 24L (SL59455) (Gas ID No. 150773) Lease, High Island Blk. 24L (FB-B, GP) (41209058) Field
11. API No. 708-30323
 - Oil & Gas Docket No. 03-0312846: the State Lease 103389 (25415) Lease, High Is. Blk. 24-L (HD SD) (41142600) Field
12. API No. 708-30327
 - Oil & Gas Docket No. 03-0312847: the State Lease 59454 (Gas ID No. 141065) Lease, High Is. Blk. 24L (FB-DD, HF) (41209491) Field
 - Oil & Gas Docket No. 03-0312848: the State Lease 59454 (20820) Lease, High Is. Blk. 24L (FB-DD, HC) (41209490) Field
13. API No. 708-30329
 - Oil & Gas Docket No. 03-0312849: the S/L 59455, High Island 24L (Gas ID No. 138911) Lease, High Is. Blk. 24L (FB-C, HC) (41209200) Field
 - Oil & Gas Docket No. 03-0312850: the State Lease 59455 (09695) Lease, High Is. Blk. 24L (FB-C, GL) (41209160) Field

14. API No. 708-30335

- Oil & Gas Docket No. 03-0312851: the State Lease 59455 (Gas ID No. 047121) Lease, High Is. Blk. 24L (FB-C, HC) (41209200) Field
- Oil & Gas Docket No. 03-0312852: the State Lease 59455 (Gas ID No. 138259) Lease, High Is. Blk. 24L (FB-C, GK) (41209155) Field

15. API No. 708-30347

- Oil & Gas Docket No. 03-0312853: the High Island 24L SL59456 (Gas ID No. 162015) Lease, High Is. Blk. 24L (FB-E, IG) (41209680) Field

16. API No. 708-30353

- Oil & Gas Docket No. 03-0312854: the High Island 24L SL59456 (Gas ID No. 167568) Lease, High Is. Blk. 24L (FB-E, HF) (41209600) Field
- Oil & Gas Docket No. 03-0312855: the High Island 24L SL59456 (23759) Lease, High Is. Blk. 24L (FB-E, HC) (41209520) Field

Jefferson is **ORDERED**, within 30 days from the date this order becomes final, to plug the Wells and place the subject leases in compliance with Statewide Rules 8, 14, 15 and any other applicable Commission rules.

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) and 16 Tex. Admin. Code § 1.128(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 the Commission Order is signed.

Each exception to the Proposal for Decision not expressly granted is overruled. All requested findings of fact and conclusions of law which are not expressly adopted are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

Signed on May 7, 2019.

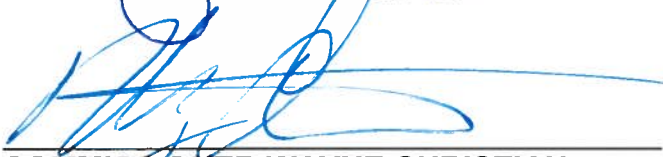
RAILROAD COMMISSION OF TEXAS



CHAIRMAN CHRISTI CRADDICK



COMMISSIONER RYAN SITTON



COMMISSIONER WAYNE CHRISTIAN

ATTEST




SECRETARY