

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 06-0318822**

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**DUAL SIGNATURE P-4 FILING AND APPLICATION OF BIG CREEK OPERATING COMPANY LLC (OPERATOR NO. 069342) TO SHOW IT HAS A GOOD FAITH CLAIM RIGHT TO OPERATE THE RIESS (GAS ID NO. 276364) LEASE, WELL NO. 1, WILDCAT FIELD, HOUSTON COUNTY, TEXAS, AND TO CHANGE THE RECORD OPERATOR FROM TEXAS ENHANCED OIL RECOVERY COMPANY, LLC (OPERATOR NO. 875198) TO BIG CREEK OPERATING COMPANY LLC**

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**FINAL ORDER**

The Commission finds that after notice and opportunity for hearing, upon agreement of the parties, the docket proceeded to final order. 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 Texas Enhanced Oil Recovery Company, LLC (Operator No. 875198), ("Texas Enhanced Oil"), and Big Creek Operating Company LLC (Operator No. 069342), ("Big Creek").
2. Texas Enhanced Oil is the operator of record for the Riess (Gas ID No. 276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas ("Lease").
3. On or about March 8, 2019, Big Creek submitted to the Commission a dual signature Form P-4 *Certificate of Compliance and Transportation Authority* requesting transfer of the Riess (Gas ID No. 276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas, from Texas Enhanced Oil to Big Creek, as operator of record.
4. All Commission correspondence to Texas Enhanced Oil was sent via United States Postal Service first-class mail to Texas Enhanced Oil's address of record, as set forth on Texas Enhanced Oil's most recent Form P-5 *Organization Report*.
5. All Commission correspondence to Big Creek was sent via United States Postal Service first-class mail to Big Creek's address of record, as set forth on Big Creek's most recent Form P-5 *Organization Report*.
6. On or about March 18, 2019, the Administrative Law Judge requested in writing that Texas Enhanced Oil notify the Commission on or before April 18, 2019, if it wished to contest the transfer of the Lease to Big Creek. 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. Texas Enhanced Oil's Form P-5 is delinquent. Texas Enhanced Oil had a \$25,000.00 bond as its financial assurance at the time of the last Form P-5 annual renewal submission.
8. Big Creek's Form P-5 is active. Big Creek has a \$25,000.00 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. No production has been reported on the subject lease since August 2014.
11. Texas Enhanced Oil replied to the Administrative Law Judge's letter dated March 18, 2019, with a letter stating that it did not wish to contest Big Creek's good faith claim, agreed to a waiver of its right to a hearing, and stated that has agreed to the transfer of the Lease.
12. Texas Enhanced Oil does not have a "good faith claim" to operate the subject lease. See Final Order in Oil & Gas Docket No. 06-0306357.
13. Pursuant to TEX. GOV'T CODE §§ 2001.056 and 2001.062(e), Texas Enhanced Oil and Big Creek have waived the opportunity to request a hearing on the matter.
14. Big Creek now asserts a "good faith claim" to a continuous right to operate the subject lease.
15. The Riess (Gas ID No. 276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas, should be transferred to Big Creek 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. Texas Enhanced Oil does not have a "good faith claim" to continue to operate the Riess (Gas ID No. 276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas.
5. Big Creek does have a "good faith claim" to continue to operate the Riess (Gas ID No. 276364) Lease, Well No. 1, Wildcat Field, Houston County, Texas.

**IT IS THEREFORE ORDERED** that the application of Big Creek Operating Company 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, Big Creek Operating Company 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.

It is further **ORDERED** that the RRC transfer hold on the Lease due to the Prior Order be canceled to allow transfer of the Lease to Big Creek Operating Company LLC.

It is further **ORDERED** by the Commission that this order shall be effective on April 23, 2019, when the Master Order relating to this Final Order is signed.

All pending motions and requests for relief not previously or herein granted are denied.

Signed on April 23, 2019.

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