

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 7B-0320524: SINGLE SIGNATURE P4 FILING BY TCS PETROLEUM CO., LLC (OPERATOR NO. 840311) FOR THE SHAFFER, W.S. -B- (11127) LEASE, TAYLOR COUNTY REGULAR FIELD TO CHANGE THE OPERATOR FROM OGOG OPERATING, LLC (OPERATOR NO. 619342) TO TCS PETROLEUM CO., LLC.

OIL & GAS DOCKET NO. 7B-0320525: SINGLE SIGNATURE P4 FILING BY TCS PETROLEUM CO., LLC (OPERATOR NO. 840311) FOR THE SHAFFER, W.S. -C- (11495) LEASE, TAYLOR COUNTY REGULAR FIELD TO CHANGE THE OPERATOR FROM OGOG OPERATING, LLC (OPERATOR NO. 619342) TO TCS PETROLEUM CO., 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 OGOG Operating, LLC (Operator No. 619342), ("OGOG"), and TCS Petroleum Co., LLC (Operator No. 840311), ("TCS").
2. OGOG is the operator of record for the above-referenced leases and wells in the Taylor County Regular Field, Taylor County, Texas.
3. On or about May 14, 2019, TCS submitted to the Commission a Form P-4 *Certificate of Compliance and Transportation Authority* as to each of the above-referenced docketed cases requesting transfer of the subject leases and wells in the Taylor County Regular Field, Taylor County, Texas, from OGOG to TCS, as operator of record.
4. All Commission correspondence to OGOG was sent via United States Postal Service first-class mail to OGOG's address of record, as set forth on OGOG's most recent Form P-5 *Organization Report*.
5. All Commission correspondence to TCS was sent via United States Postal Service first-class mail to TCS's address of record, as set forth on TCS's most recent Form P-5 *Organization Report*.

6. On or about June 5, 2019, the Administrative Law Judge requested in writing that OGOG either (1) provide evidence that it holds a good faith claim to a continuing right to operate the referenced properties or (2) request a hearing on the matter on or before July 8, 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.
7. OGOG's Form P-5 is active. OGOG has a \$50,000.00 bond as its financial assurance.
8. TCS's Form P-5 is active. TCS has a \$50,000.00 bond 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 leases since March 2018.
11. OGOG failed to reply to the Administrative Law Judge's letter dated June 5, 2019, with any documents that it holds a "good faith claim" to a continuing right to operate the subject leases and failed to timely request a hearing.
12. OGOG does not have a "good faith claim" to operate the subject leases.
13. Pursuant to TEX. GOV'T CODE §§ 2001.056 and 2001.062(e), OGOG and TCS have waived the opportunity to request a hearing on the matter.
14. TCS now asserts a "good faith claim" to a continuous right to operate the subject leases.
15. The Shaffer, W. S. -B- (11127) Lease, Well Nos. 3 and 4, Taylor County Regular Field, Taylor County, Texas, should be transferred to TCS as operator of record.
16. The Shaffer, W.S. -C- (11495) Lease, Well Nos. 1 and 2, Taylor County Regular Field, Taylor County, Texas, should be transferred to TCS 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. OGOG does not have a "good faith claim" to continue to operate the subject leases and wells in the Taylor County Regular Field, Taylor County, Texas.

5. TCS does have a "good faith claim" to continue to operate the subject leases and wells in the Taylor County Regular Field, Taylor County, Texas.

IT IS THEREFORE ORDERED that as to each of the above-referenced dockets, the application of TCS Petroleum Co., 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, TCS Petroleum Co., 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** 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 6th day of August 2019, Austin, Texas.

**Railroad Commission of Texas (Order approved
and signatures affixed by Hearings Division
Unprotested Master Order dated August 6, 2019)**