



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0316077:

SINGLE SIGNATURE P-4 FILING OF WISE CUSTOM BUILDERS, INC. (OPERATOR NO. 932981) FOR THE BRAY, EALEN (04268) LEASE, WELL NOS. 1, 3, 4, 5, 6, AND 9, PENA CREEK (SAN MIGUEL 3RD) FIELD, DIMMIT COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM IMPERATOR OPERATING, LLC (OPERATOR NO. 423125) TO WISE CUSTOM BUILDERS, INC.

OIL AND GAS DOCKET NO. 01-0316079:

SINGLE SIGNATURE P-4 FILING OF WISE CUSTOM BUILDERS, INC. (OPERATOR NO. 932981) FOR THE DROUGHT, ANN G. (04324) LEASE, WELL NOS. 1, 2, 3, 8, 11, 12, 13, AND 15, PENA CREEK (SAN MIGUEL 3RD) FIELD, DIMMIT COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM IMPERATOR OPERATING, LLC (OPERATOR NO. 423125) TO WISE CUSTOM BUILDERS, INC.

OIL AND GAS DOCKET NO. 01-0316080:

SINGLE SIGNATURE P-4 FILING OF WISE CUSTOM BUILDERS, INC. (OPERATOR NO. 932981) FOR THE BRADY, T. H. (04335) LEASE, WELL NOS. 1, 2, AND 3, PENA CREEK (SAN MIGUEL 3RD) FIELD, DIMMIT COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM IMPERATOR OPERATING, LLC (OPERATOR NO. 423125) TO WISE CUSTOM BUILDERS, INC.

OIL AND GAS DOCKET NO. 01-0316081:

SINGLE SIGNATURE P-4 FILING OF WISE CUSTOM BUILDERS, INC. (OPERATOR NO. 932981) FOR THE BRADY, T. H. ESTATE (04441) LEASE, WELL NOS. 1, 2, AND 3, PENA CREEK (SAN MIGUEL 3RD) FIELD, DIMMIT COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM IMPERATOR OPERATING, LLC (OPERATOR NO. 423125) TO WISE CUSTOM BUILDERS, INC.

OIL AND GAS DOCKET NO. 01-0316082:

SINGLE SIGNATURE P-4 FILING OF WISE CUSTOM BUILDERS, INC. (OPERATOR NO. 932981) FOR THE GROCE, J. G. ET AL (04323) LEASE, WELL NO. 1, PENA CREEK (SAN MIGUEL 3RD) FIELD, DIMMIT COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM IMPERATOR OPERATING, LLC (OPERATOR NO. 423125) TO WISE CUSTOM BUILDERS, INC.

OIL AND DOCKET NO. 01-0316083:

SINGLE SIGNATURE P-4 FILING OF WISE CUSTOM BUILDERS, INC. (OPERATOR NO. 932981) FOR THE MATFLOWER INVESTMENTS CO. (14095) LEASE, WELL NO. 5, ROCKY CREEK (ESCONDIDO) FIELD, DIMMIT COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM IMPERATOR OPERATING, LLC (OPERATOR NO. 423125) TO WISE CUSTOM BUILDERS, INC.

OIL AND DOCKET NO. 7B-0315959:

SINGLE SIGNATURE P-4 FILING OF WISE CUSTOM BUILDERS, INC. (OPERATOR NO. 932981) FOR THE SOUTH DEAD HORSE CREEK UNIT (26928) LEASE, DEAD HORSE CREEK (CISCO) FIELD, EASTLAND COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM IMPERATOR OPERATING, LLC (OPERATOR NO. 423125) TO WISE CUSTOM BUILDERS, INC.

OIL AND DOCKET NO. 7B-0315960:

SINGLE SIGNATURE P-4 FILING OF WISE CUSTOM BUILDERS, INC. (OPERATOR NO. 932981) FOR THE HUMPHREY B (GAS ID NO. 086488) LEASE, HANVEY (DEAD HORSE CREEK) FIELD, EASTLAND COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM IMPERATOR OPERATING, LLC (OPERATOR NO. 423125) TO WISE CUSTOM BUILDERS, INC.

PROPOSAL FOR DECISION

HEARD BY: Clayton J. Hoover, Administrative Law Judge
Richard Eyster, P.G., Technical Examiner

WRITTEN BY: Kristi M. Reeve, Administrative Law Judge

REVIEWED BY: Ashley Correll, P.G., Technical Examiner

PROCEDURAL HISTORY:

Complaint Filed -	September 17, 2018
Response Filed -	October 17, 2018
Notice of Hearing -	December 12, 2018
Hearing Date -	January 15, 2019
Initial Record Closed -	January 15, 2019
Transcript Received	January 22, 2019
Record Reopened and Reclosed -	October 3, 2019
Proposal for Decision Issued -	October 4, 2019

APPEARANCES:

For Wise Custom Builders:

Mr. and Mrs. Frank Snell

For Imperator Operating, LLC:

Glenda Bianchi

For Oil, Gas, Etc., LLC:

John Chambers

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I. Statement of the Case¹

Wise Custom Builders, Inc. ("Wise"), Operator No. 932981, filed eight (8) single signature Commission Form P-4s *Certificate of Compliance and Transportation Authority* ("Form P-4s") seeking to be designated the Commission operator of record with regulatory responsibility for the Wells and leases referenced in the captions above ("Wells"). Wise is seeking to have the Wells transferred from the current operator of record, Imperator Operating, LLC ("Imperator"), (Operator No. 423125). Oil, Gas, Etc., LLC (620678) is the prior operator of the Wells. The Wells transferred from Oil to Imperator effective June 11, 2018. Imperator is the contract operator for Oil for the Wells. The Form P-4s filed by Wise did not contain the signature of the current operator, necessitating a good faith claim review and notice of opportunity for hearing to the current operator. Imperator and Oil requested a hearing. The hearing on the merits was held on January 15, 2019.

The issue before the Commission is whether Imperator has a good faith claim to operate the Wells, as the term is defined in Statewide Rule 15, for which it is the current regulatory responsible operator, or, if it does not, does Wise have a good faith claim, so that the Wells may be transferred. Wise has the burden of proof.

Wise introduced no evidence to show that Imperator lacks a good faith claim, nor did Wise introduce any evidence to show that Wise has a good faith claim.² Instead, Wise offered testimony about investments, representations and broken promises between Wise and Oil, which are not within the jurisdiction of the Commission.

The record evidence demonstrates that Wise failed to adequately prove by a preponderance of the evidence that Imperator lacks a good faith claim to the right to operate the Wells. Imperator, on the other hand, offered testimony and documentary evidence of Imperator's good faith claim. Oil did not actively participate in the hearing. The Administrative Law Judge and Technical Examiner ("Examiners") recommended that the Commission deny approval of the single signature Form P-4s submitted by Wise to transfer the Wells from Imperator to Wise.

II. Jurisdiction and Notice

Sections 81.051 and 81.052 of the Texas Natural Resources Code provide the Commission with jurisdiction over all persons owning or engaged in drilling or operating oil or gas wells in Texas and the authority to adopt all necessary rules for governing and regulating persons and their operations under the jurisdiction of the Commission.

¹ The hearing transcript in this case is referred to as "Transcript at [pages]." Imperator's exhibits are referred to as "Imperator Ex. [exhibit no.]."

² Transcript at 9-11 and 12:5-14.

On December 12, 2018, the Hearings Division of the Commission sent a Notice of Hearing ("Notice") to Imperator and Oil, as the current operators,³ setting a hearing date of January 15, 2019.⁴ The Notice contains: (1) a statement of the time, place, and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be held; (3) a reference to the particular sections of the statutes and rules involved; and (4) a short and plain statement of the matters asserted.⁵ The hearing was held on January 15, 2019. Consequently, the parties received more than 10 days' notice. Wise and Imperator appeared and participated at the hearing. Oil appeared, but did not participate.

Oil and Gas Docket Nos. 7B-0315959 and 7B-0314960 were originally docketed and noticed as Wise seeking to transfer the Wells from Oil to Wise. The Examiners reopened the record on October 3, 2019, to take notice of Commission records as to the regulatory operator of the subject leases. At that time, it was discovered that on December 17, 2018, unbeknownst to the Hearings Division, Well Compliance processed previously submitted Form P-4s. These Form P-4s were submitted prior to the single signature Form P-4s being submitted and had been unable to be processed when filed due to the Wells being noncompliant with HB 2259. Once compliance was achieved, the Form P-4s were processed. The captions for those two dockets, as well as Finding of Fact No. 2 reflect the current operator for these leases, Imperator.⁶

III. Applicable Legal Authority

Wise filed eight (8) Form P-4s without the signature of the current Commission operators of record and requests to be the Commission operator of record for the Wells.

In order to operate a well in Texas, an operator is required to file a Form P-4. In the Form P-4, the operator certifies that for each property on which the wells at issue are located, the operator is in compliance with Commission statutes, rules, orders and regulations. The Form P-4 establishes the operator of a lease or well and certifies responsibility for regulatory compliance of that operator.⁷

If an applicant wants to assume operator status for a well but is unable to obtain the signature of the previous operator on the Form P-4, the applicant can file a completed Form P-4 signed by a representative of the applicant, along with an explanatory letter and legal documentation of the applicant's right to operate the property. Commission rules give the current operator an opportunity to protest. In this case, Imperator and Oil have protested, thereby necessitating a hearing. Specifically, Statewide Rule 58(a) provides in pertinent part:

³ See 16 Tex. Admin. Code § 3.58(a)(4).

⁴ See Notice of Hearing issued December 12, 2018.

⁵ See Tex. Gov't Code §§ 2001.051, .052; 16 Tex. Admin. Code §§ 1.42, 1.45.

⁶ Taking official notice of Commission mainframe records.

⁷ 16 Tex. Admin. Code § 3.58(a)(1).

(1) Each operator who seeks to operate any well subject to the jurisdiction of the Commission shall file with the commission's Austin office a commission form P-4 (certificate of compliance and transportation authority) for each property on which the wells are located certifying that the operator has complied with Texas Natural Resources Code, Title 3; Texas Water Code, §26.131; and Texas Water Code, Chapter 27, and orders, rules, and regulations of the commission pursuant to Texas Natural Resources Code, Title 3; Texas Water Code, §26.131; and Texas Water Code, Chapter 27, in respect to the property. The Commission form P-4 establishes the operator of an oil lease, gas well, or other well; certifies responsibility for regulatory compliance, including plugging wells in accordance with §3.14 of this title (relating to plugging); and identifies gatherers, purchasers, and purchasers' commission-assigned system codes authorized for each well or lease. Operators shall file form P-4 for new oil leases, gas wells, or other wells; recompletions; reclassifications of wells from oil to gas or gas to oil; consolidation, unitization or subdivision of oil leases; or change of gatherer, gas purchaser, gas purchaser system code, operator, field name or lease name. When an operator files a form P-4, the oil and gas division shall review the form for completeness and accuracy. The Commission may require an operator who files a form P-4 for the purpose of changing the designation of an operator for a lease or well to provide to the Commission evidence that the transferee has the right to operate the lease or well. Except as otherwise authorized by the Commission, a transporter (whether the operator or someone else) shall not transport the oil, gas, or geothermal resources from such property until the Commission has approved the certificate of compliance and transportation authority. No certificate of compliance designating or changing the designation of an operator will be approved that is signed, either as transferor or transferee, by a non-employee agent of the organization unless the organization has filed with the commission, on its organization report, the name of the non-employee agent it has authorized to sign such certificates of compliance on its behalf.

(2) An approved certificate of compliance and transportation authority shall bind the operator until another operator files a subsequent certificate and the Commission has approved the subsequent certificate and transferred the property on commission records to the subsequent operator.

...

(4) If an applicant wishes to assume operator status for a property, but is unable to obtain the signature of the previous operator on the certificate of compliance and transportation authority, the applicant shall file with the oil and gas division in Austin a completed form P-4 signed by a designated officer or agent of the applicant, along with an explanatory letter and legal

documentation of the applicant's right to operate the property. Prior to approval of such an application, the office of the general counsel will notify the last known operator of record, if such operator's address is available, affording such operator an opportunity to protest.

In evaluating the proposed operator's documentation of a right to operate the property at issue, the Commission determines whether the documentation is sufficient to establish a "good faith claim" to operate the property at issue.⁸ According to Commission statutes and rules, the definition of a good faith claim is:

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.⁹

IV. Discussion of Evidence

A. Summary of Wise's Evidence and Argument

Wise presented testimony from Frank Snell, who did not address the good faith of Wise, nor of Imperator or Oil.¹⁰ Mr. Snell testified regarding his investment with Mr. Chambers of Oil and issues with their investment deal.¹¹

Mr. Snell stated he had invested with Mr. Chambers, understanding the funding he was bringing would allow things to be brought into compliance and once compliance was achieved, the oil that was in the tanks could be picked up and repayment of the investment would begin.¹² Mr. Snell testify that Mr. Chambers had represented to him a certain amount of oil on hand prior to the agreement, which did not turn out to be correct and fund transfers to Mr. Snell did not occur when they should have.¹³

The Examiners reopened the record on October 3, 2019 to take official notice of Commission records as to the status of Wise's Form P-5 *Organization Report*. Wise's P-5 is inactive.¹⁴

B. Summary of Imperator's Evidence and Argument

In its defense, Imperator offered four (4) exhibits and the testimony of Glenda Bianchi to show Imperator holds a good faith claim to operate the Wells. Imperator

⁸ See, e.g., Tex. Nat. Res. Code § 89.002(11); 16 Tex. Admin. Code § 3.15(a)(5); *Magnolia Petroleum Co. v. R.R. Comm'n of Tex.*, 170 S.W.2d 189, 191 (Tex. 1943).

⁹ Tex. Nat. Res. Code § 89.002(11); 16 Tex. Admin. Code § 3.15(a)(5).

¹⁰ Transcript at 9-11 and 12:5-14.

¹¹ *Id.*

¹² Transcript at 9.

¹³ Transcript at 10.

¹⁴ Taking official notice of Commission mainframe records.

became the record operator of the Wells effective June 11, 2018, via dual signature Commission Form P-4s transferring the Wells from Oil to Imperator. Ms. Bianchi testified that Mr. Chambers was getting out of the business and she either had to take all or none of the Wells.¹⁵ Ms. Bianchi offered copies of the Form P-4 Notification letters showing Imperator as the regulatory responsible operator for the Wells, paid up oil, gas, and mineral leases for the Wells in Eastland County, and operating agreements between Oil and Imperator for the Wells in both Eastland and Dimmit Counties, as well as original leases for the Wells in Dimmit County.¹⁶ Ms. Bianchi also gave opinion testimony that, based on her experience, Imperator holds a good faith claim as that term is defined in Statewide Rule 15.¹⁷ Ms. Bianchi stated she has "been in the industry 25 years dealing with mostly SEC and Railroad Commission, as well as legal."¹⁸

The Examiners reopened the record on October 3, 2019 to take official notice of Commission records as to the status of Imperator's Form P-5 *Organization Report*. Imperator's P-5 is active-ext.¹⁹

C. Summary of Oil, Gas, Etc., LLC's Evidence and Argument

John Chambers of Oil, Gas, Etc., LLC entered an appearance at the hearing, but did not participate.

The Examiners reopened the record on October 3, 2019 to take official notice of Commission records as to the status of Oil's Form P-5 *Organization Report*. Oil's P-5 is delinquent. Oil is SB 639ed per Oil and Gas Docket No. 7B-0314568.²⁰

V. Examiners' Analysis

The Examiners recommend the Commission deny approval of the single-signature Form P-4s filed by Wise, seeking to be designated the regulatory responsible operator of the Wells.

A good faith claim is defined in Commission rule 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.²¹

¹⁵ Transcript at 19.

¹⁶ Imperator's Exhibits 1-4 and Transcript at 25.

¹⁷ Transcript at 15, Lines 20-25.

¹⁸ Transcript at 16.

¹⁹ Taking official notice of Commission mainframe records.

²⁰ Taking official notice of Commission mainframe records.

²¹ 16 Tex. Admin. Code § 3.15(a)(5).

The origin of the “good-faith claim” requirement comes from the Texas Supreme Court in *Magnolia Petroleum Co. v. Railroad Commission of Texas*.²² In discussing the Commission’s authority to grant a drilling permit, the Court stated, “The function of the Railroad Commission in this connection is to administer the conservation laws. When it grants a permit to drill a well it does not undertake to adjudicate questions of title or rights of possession. These questions must be settled in the courts.”²³ The Court concluded, “Of course, the Railroad Commission should not do the useless thing of granting a permit to one who does not claim the property in good faith.”²⁴ **A showing of a good faith claim does not require an applicant to prove title or a right of possession. It is sufficient for an applicant to make “a reasonably satisfactory showing of a good faith claim” and another’s good faith dispute of title or possessory interest will not alone defeat an applicant.**²⁵

Wise had the burden of proof. Wise failed to present sufficient evidence to show it has a good faith claim right to operate the Wells. Additionally, Wise failed to present any evidence to show Imperator does not have good faith claim. As Wise failed to show it has a good faith claim, a requirement of recommendation of approval of the single signature Form P-4s, a determination of whether Imperator has a good faith is immaterial.

The Examiners recommend the Commission deny approval of the single-signature Form P-4s filed by Wise, seeking to be designated the regulatory responsible operator of the Wells.

VI. Recommendation, Proposed Findings of Fact and Proposed Conclusions of Law

The Examiners recommend the Commission find Wise failed to provide evidence of a reasonably satisfactory showing it has a good faith claim to operate the Wells and deny approval of the Form P-4s. The Examiners recommend the Commission adopt the following findings of fact and conclusions of law.

Findings of Fact

1. Wise Custom Builders, Inc. (“Wise”), Operator No. 932981, filed eight (8) single signature Commission Form P-4s *Certificate of Compliance and Transportation Authority* (“Form P-4s”) requesting to be designated the Commission operator of record with regulatory responsibility for the following leases and wells (“Wells”):
 - a. Bray, Ealen (04268) Lease, Well Nos. 1, 3, 4, 5, 6, and 9, Pena Creek (San Miguel 3rd) Field, Dimmit County;

²² *Id.*; see *Magnolia Petroleum Co. v. R.R. Comm’n of Tex.*, 170 S.W.2d 189, 191 (Tex. 1943); see also *Trapp v. Shell Oil Co.*, 198 S.W.2d 424, 437-38 (Tex. 1946); *Rosenthal v. R.R. Comm’n of Tex.*, 2009 WL 2567941, *3 (Tex. App.—Austin 2009, pet. denied); *Pan Am. Petroleum Corp. v. R.R. Comm’n of Tex.*, 318 S.W.2d 17 (Tex. Civ. App.—Austin 1958, no writ).

²³ *Magnolia Petroleum Co. v. R.R. Comm’n of Tex.*, 170 S.W.2d 189, 191 (Tex. 1943).

²⁴ *Id.* at 191 (emphasis added).

²⁵ *Id.* (emphasis added).

- b. Drought, Ann G. (04324) Lease, Well Nos. 1, 2, 3, 8, 11, 12, 13, and 15, Pena Creek (San Miguel 3rd) Field, Dimmit County;
- c. Brady, T. H. Estate (04335) Lease, Well Nos. 1, 2, and 3, Pena Creek (San Miguel 3rd) Field, Dimmit County;
- d. Brady, T. H. Estate (04441) Lease, Well Nos. 1, 2, and 3, Pena Creek (San Miguel 3rd) Field, Dimmit County;
- e. Groce, J. G. Et Al (04323) Lease, Well No. 1, Pena Creek (San Miguel 3rd) Field, Dimmit County;
- f. Matflower Investments Co. (14095) Lease, Well No. 5, Rocky Creek (Escondido) Field, Dimmit County;
- g. South Dead Horse Creek Unit (26928) Lease, Well Nos. A214, A315, H106, H203, H404, H705, H807, H901, K111, K212, V108, V210, V309, and V411, Dead Horse Creek (Cisco) Field, Eastland County; and
- h. Humphrey B (086488) Lease, Well No. 3, Hanvey (Dead Horse Creek) Field, Eastland County.

The Form P-4s did not contain the signature of the current Commission operator of record for the Wells.

- 2. Imperator Operating, LLC ("Imperator"), Operator No. 423125, is the current Commission operator of record for the following leases and wells:
 - a. Bray, Ealen (04268) Lease, Well Nos. 1, 3, 4, 5, 6, and 9, Pena Creek (San Miguel 3rd) Field, Dimmit County;
 - b. Drought, Ann G. (04324) Lease, Well Nos. 1, 2, 3, 8, 11, 12, 13, and 15, Pena Creek (San Miguel 3rd) Field, Dimmit County;
 - c. Brady, T. H. Estate (04335) Lease, Well Nos. 1, 2, and 3, Pena Creek (San Miguel 3rd) Field, Dimmit County;
 - d. Brady, T. H. Estate (04441) Lease, Well Nos. 1, 2, and 3, Pena Creek (San Miguel 3rd) Field, Dimmit County;
 - e. Groce, J. G. Et Al (04323) Lease, Well No. 1, Pena Creek (San Miguel 3rd) Field, Dimmit County;
 - f. Matflower Investments Co. (14095) Lease, Well No. 5, Rocky Creek (Escondido) Field, Dimmit County;
 - g. South Dead Horse Creek Unit (26928) Lease, Well Nos. A214, A315, H106, H203, H404, H705, H807, H901, K111, K212, V108, V210, V309, and V411, Dead Horse Creek (Cisco) Field, Eastland County; and
 - h. Humphrey B (086488) Lease, Well No. 3, Hanvey (Dead Horse Creek) Field, Eastland County.
- 3. Statewide Rule 58 requires notice to be given to "the last known operator of record" to afford that operator an opportunity to protest. 16 Tex. Admin. Code § 3.58(a)(4).
- 4. Notice of Wise's applications to transfer the Wells was given to Imperator and Oil. Imperator and Oil protested the transfers and requested a hearing.

5. On December 12, 2018, the Hearings Division of the Commission sent a Notice of Hearing ("Notice") to Imperator and Oil, as the current operators,²⁶ setting a hearing date of January 15, 2019. The Notice contains: (1) a statement of the time, place, and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be held; (3) a reference to the particular sections of the statutes and rules involved; and (4) a short and plain statement of the matters asserted.²⁷ The hearing was held on January 15, 2019. Consequently, the parties received more than 10 days' notice. Wise and Imperator appeared and participated at the hearing. Oil appeared, but did not participate.
6. Wise asserts it should be made the regulatory responsible operator of the Wells.
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. Wise failed to provide sufficient evidence of a factually supported claim based on a recognized legal theory to a continuing possessory right in the mineral estate to show it has a good faith claim right to operate the Wells.
9. Wise failed to provide sufficient evidence to show Imperator does not have a good faith claim rights to operate the Wells.
10. Imperator has an active-ext Commission Form P-5 *Organization Report* ("Form P-5").
11. Wise has an inactive Form P-5.
12. Oil has a delinquent Form P-5 and is subject to the restrictions of SB 639.
13. Wise's single signature Form P-4 applications to be designated the Commission recognized operator with regulatory responsibility for the Wells should be denied.

Conclusions of Law

1. Proper notice of hearing was timely issued to appropriate persons entitled to notice. See, e.g., Tex. Gov't Code §§ 2001.051, .052; 16 Tex. Admin. Code §§ 1.42, 1.45.
2. The Commission has jurisdiction in this case. See, e.g., Tex. Nat. Res. Code § 81.051.

²⁶ See 16 Tex. Admin. Code § 3.58(a)(4).

²⁷ See Tex. Gov't Code §§ 2001.051, .052; 16 Tex. Admin. Code §§ 1.42, 1.45.

3. Wise does not have a good faith claim to operate the Wells. 16 Tex. Admin. Code § 3.15(a)(5).
4. The Wells should not be transferred. The single signature Form P-4 applications should be denied. See 16 Tex. Admin. Code § 3.58(a).

Recommendations

The Administrative Law Judge and Technical Examiner recommend the Commission deny approval of the single signature Form P-4s filed by Wise.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'Kristi M. Reeve', followed by a horizontal line.

Kristi M. Reeve
Administrative Law Judge

A handwritten signature in blue ink, appearing to read 'Ashley Correll'.

Ashley Correll, P.G.
Technical Examiner