RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL & GAS DOCKET NO. OG-19-00001050

SINGLE SIGNATURE P-4 FILING OF SOJOURNER DRILLING CORPORATION (OPERATOR NO. 800750) FOR THE PERINI (26874) LEASE, KIRBY (COOK) FIELD, TAYLOR COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM TKP PETROLEUM, INC. (OPERATOR NO. 860891) TO SOJOURNER DRILLING CORPORATION; DISTRICT 7B.

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.

FINDINGS OF FACT

- 1. TKP Petroleum, Inc. ("TKP") is the operator of record for the Perini (26874) Lease, Kirby (Cook) Field, Taylor County, Texas.
- 2. On or about August 8, 2019, Sojourner Drilling Corporation ("Sojourner") submitted to the Commission a Form P-4 Certificate of Compliance and Transportation Authority requesting transfer of the subject lease, from TKP to Sojourner, as operator of record.
- 3. All Commission correspondence to TKP was sent via United States Postal Service first-class mail to TKP's address of record, as set forth on TKP's most recent Form P-5 Organization Report.
- 4. On or about October 1, 2019, the Administrative Law Judge requested in writing that TKP 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 November 1, 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.
- 5. TKP's Form P-5 is delinquent. TKP has a \$0,000.00 Exempt as its financial assurance.
- 6. Sojourner's Form P-5 is active. Sojourner has a \$250,000.00 letter of credit as its financial assurance.
- 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."
- 8. The subject lease is currently severed, and no production has been reported since October 2012.
- 9. TKP failed to reply to the Administrative Law Judge's letter dated October 1, 2019, with any documents that it holds a "good faith claim" to a continuing right to operate the subject lease and failed to timely request a hearing.
- 10. TKP does not have a "good faith claim" to operate the subject lease.
- 11. Pursuant to Tex. Gov't Code §§ 2001.056 and 2001.062(e), TKP and Sojourner have waived the opportunity to request a hearing on the matter.
- 12. Sojourner now asserts a "good faith claim" to a continuous right to operate the subject lease.
- 13. The Perini (26874) Lease, Kirby (Cook) Field, Taylor County, Texas, should be transferred to Sojourner 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. TKP does not have a "good faith claim" to continue to operate the Perini (26874) Lease, Kirby (Cook) Field, Taylor County, Texas.
- 5. Sojourner does have a "good faith claim" to continue to operate the Perini (26874) Lease, Kirby (Cook) Field, Taylor County, Texas.

IT IS THEREFORE ORDERED that the application of Sojourner Drilling Corporation 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, Sojourner Drilling Corporation 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.

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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 17th day of December 2019, Austin, Texas.

Railroad Commission of Texas (Order approved and signatures affixed by Hearings Division Unprotested Master Order dated December 17, 2019)