

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

FINAL ORDER

OIL & GAS DOCKET NO. 04-0319268: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA CATTLE CO. (22 SD.) (11611) LEASE, WELL NO. 22, LA SARA (NO. 22 SD.) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319269: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA CATTLE CO. (10944) LEASE, LA SARA (NO. 14-A SAND) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319270: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA CATTLE CO. (10695) LEASE, LA SARA (NO. 12 SAND) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319271: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA CATTLE COMPANY (11991) LEASE, LA SARA (NO. 17 SAND) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319272: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA CATTLE CO. (11038) LEASE, LA SARA (NO. 8 SAND) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319273: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA CATTLE CO. (10027) LEASE, LA SARA (5300) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319274: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA CATTLE CO. (22 SD.) (11611) LEASE, WELL NO. 25, LA SARA (NO. 22 SD.) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319275: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA, FAUSTO (13294) LEASE, LA SARA (6250) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319276: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (13344) LEASE, LA SARA, NE. (7590) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319277: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (13561) LEASE, LA SARA (NO. 19 SAND) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319278: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA, FAUSTO JR. ET AL "A" (13426) LEASE, LA SARA (7177) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319279: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA RR (13554) LEASE, LA SARA (3460 SAND) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319280: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (13413) LEASE, LA SARA (5500) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319281: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (13449) LEASE, LA SARA (NO. 24 SD.) FIELD, WILLACY COUNTY, TEXAS, TO

CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319282: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (13436) LEASE, WELL NO. 13RR, LA SARA, NW. (3000) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319283: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (13436) LEASE, WELL NO. 16RR, LA SARA, NW. (3000) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319284: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA RR (13554) LEASE, LA SARA (3460 SAND) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319285: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (13344) LEASE, LA SARA, NE. (7590) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319286: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA RR (13849) LEASE, LA SARA (3850) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319287: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (13648) LEASE, LA SARA (NO. 17 SAND) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319288: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (13661) LEASE, LA SARA, E. (8200) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319289: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (13892) LEASE, LA SARA (31-A SAND) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319290: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (13723) LEASE, LA SARA N.E. (6070) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319292: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (13837) LEASE, WILDCAT FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319293: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA RR (13852) LEASE, WELL NO. 20RR, LA SARA (3830) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319294: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA RR (13852) LEASE, WELL NO. 22RR, LA SARA (3830) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319295: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (13888) LEASE, LA SARA (NO. 19 SAND, UPPER) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319296: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA RR (13983) LEASE, LA SARA (6250) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319297: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA RR (13852) LEASE, WELL NO. 35RR, LA SARA (3830) FIELD, WILLACY COUNTY,

TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319298: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (280965) LEASE, LA SARA (4650 SAND) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319299: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (274864) LEASE, LA SAL VIEJA (FRIO CONS) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319300: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (273523) LEASE, LA SARA, E. (8200) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319301: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (269339) LEASE, LA SARA (NO. 8 SAND) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319302: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (257335) LEASE, WILDCAT FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319303: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (253667) LEASE, LA SARA (NO. 41 SAND) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319304: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (253452) LEASE, LA SARA, E. (8430) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319305: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (257433) LEASE, WILDCAT FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319306: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (262172) LEASE, LA SARA, N. (7400) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319307: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (252098) LEASE, WILDCAT FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319308: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (243879) LEASE, LA SARA (NO. 6-A) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319309: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA, FAUSTO JR. (229580) LEASE, LA SAL VIEJA (DEEP) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319310: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (263515) LEASE, WILDCAT FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319311: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (212234) LEASE, LA SARA, NE (7200) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319312: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (212817) LEASE, LA SARA, NE (7200) FIELD, WILLACY COUNTY, TEXAS, TO

CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319313: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA (260766) LEASE, WILDCAT FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

OIL & GAS DOCKET NO. 04-0319314: SINGLE SIGNATURE P-4 FILING BY TEXAS OIL AND GAS OPERATING, LLC (OPERATOR NO. 846879) FOR THE YTURRIA CATTLE CO (153962) LEASE, LA SARA (3460 SAND) FIELD, WILLACY COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MK OPERATING COMPANY LLC (OPERATOR NO. 518487) TO TEXAS OIL AND GAS OPERATING, LLC

The Railroad Commission of Texas (“Commission” or “RRC”) finds that after statutory notice and an opportunity for hearing regarding the captioned proceeding, MK Operating Company LLC (“MK”) failed to attend the hearing, failed to protest and did not otherwise participate such that this case can proceed as a default. This proceeding having been duly submitted to the Commission at a conference held in its offices in Austin, Texas, the Commission makes the following findings of fact and conclusions of law.

Findings of Fact

1. On or about April 3, 2019, Texas Oil and Gas Operating, LLC (“Texas Oil and Gas” or “Applicant”), RRC Operator No. 846879, filed single-signature Form P-4s *Certificate of Compliance and Transportation Authority* (“Form P-4s”) requesting that it be designated the Commission operator of record for each of the above-referenced leases (“Leases”) and wells (“Wells”). The Form P-4s did not contain the signature of the current Commission operator of record for the Leases and Wells.
2. MK Operating Company LLC (“MK”), RRC Operator No. 518487, is the current Commission operator of record for the Leases and Wells.
3. 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 is required to provide legal documentation of the applicant's right to operate the property. 16 Tex. Admin. Code § 3.58(a)(4). The Commission evaluates whether the documentation establishes as “good faith claim” to operate.
4. 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).
5. On October 1, 2019, a Notice of Hearing (“Notice”) setting the hearing for October 21, 2019, was sent by first-class mail to Applicant and MK. The Notice was sent via first-class mail to MK’s address of record at the Commission as identified in MK’s most recent filing of Form P-5 *Organization Report* (“Form P-5”).
 6. At least ten days’ notice of hearing was given to Applicant and MK.
 7. The hearing was called on October 21, 2019, as noticed. Only Applicant appeared.
 8. To demonstrate its good faith claim to operate the Leases and Wells, Applicant presented documentation including memorandums of leases and assignments giving Applicant the right to operate and produce the minerals from the tract where the Well is located.
 9. Applicant has a current Form P-5 with a \$50,000 cash deposit as its financial assurance. Applicant is currently the record operator of 15 wells. Applicant’s status at the Commission is active-ext.
 10. MK’s status at the commission is delinquent.
 11. MK does not have a good faith claim to operate the Leases and Wells.
 12. MK did not protest the transfer of the Leases and Wells to Applicant.
 13. Pursuant to Tex. Gov’t Code §§ 2001.056 and 2001.062(e), MK was provided notice of the hearing and had an opportunity to participate but failed to do so.
 14. Applicant has demonstrated a good faith claim to a continuing right to operate the Leases and Wells.
 15. The Leases and Wells should be transferred to Applicant as operator of record.

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; 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.
3. MK does not have a good faith claim, as that term is defined in Statewide Rule 15(a)(5), to continue operating the Leases and Wells. 16 Tex. Admin. Code § 3.15(a)(5).

4. Applicant does have a good faith claim to operate the Leases and Wells.

Ordering Provisions

IT IS THEREFORE ORDERED that the applications of Texas Oil and Gas Operating, LLC to change the RRC operator of record for the Leases and Wells are **APPROVED** and Texas Oil and Gas Operating, LLC's submitted Form P-4s *Certificate of Compliance and Transportation Authority* reflecting itself as the current operator for the Leases and Wells are 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, Texas Oil and Gas Operating, LLC has not met the requirements of the listed provisions, this Final Order shall be **VOID** and the subject Form P-4s shall be marked as *Unable to Process* and archived.

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

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.

Done this 14th day of January 2020, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by HD
Unprotested Master Order dated January 14,
2020)

JNC/mls