

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. OG-19-00001309

SINGLE SIGNATURE P-4 FILING OF THREE-C OIL AND GAS (OPERATOR NO. 857600) FOR THE SALINAS (12716) LEASE, WELL NO. 3, SAN DIEGO, SW (COLE) FIELD, DUVAL COUNTY, TEXAS TO CHANGE THE OPERATOR FROM NEW VOYAGE ENTERPRISES LLC (OPERATOR NO. 606108) TO THREE-C OIL AND GAS; DISTRICT 04

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 New Voyage Enterprises LLC (Operator No. 606108), ("New Voyage"), and Three-C Oil and Gas (Operator No. 857600), ("Three-C").
2. New Voyage is the operator of record for the Salinas (12716) Lease, Well No. 3, San Diego, SW (Cole) Field, Duval County, Texas.
3. On or about October 4, 2019, Three-C submitted to the Commission a Form P-4 *Certificate of Compliance and Transportation Authority* requesting transfer of the Salinas (12716) Lease, Well No. 3, San Diego, SW (Cole) Field, Duval County, Texas, from New Voyage to Three-C, as operator of record.
4. All Commission correspondence to New Voyage was sent via United States Postal Service first-class mail to New Voyage's address of record, as set forth on New Voyage's most recent Form P-5 *Organization Report*.
5. All Commission correspondence to Three-C was sent via United States Postal Service first-class mail to Three-C's address of record, as set forth on Three-C's most recent Form P-5 *Organization Report*.
6. On or about October 17, 2019, the Administrative Law Judge requested in writing that New Voyage 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 18, 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. New Voyage's Form P-5 is delinquent. New Voyage had a \$25,000.00 cash deposit as its financial assurance at the time of the last Form P-5 annual renewal submission.
8. Three-C's Form P-5 is active. Three-C 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. New Voyage failed to reply to the Administrative Law Judge's letter dated October 17, 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.
12. Three-C submitted a letter of explanation and an Oil, Gas Lease purporting to show that it holds a "good faith claim" to operate the property
13. New Voyage does not have a "good faith claim" to operate the subject lease.
14. Three-C now asserts a "good faith claim" to a continuous right to operate the subject lease.
15. Pursuant to Tex. Gov't Code §§ 2001.056 and 2001.062(e), New Voyage and Three-C have waived the opportunity to request a hearing on the matter.
16. The Salinas (12716) Lease, Well No. 3, San Diego, SW (Cole) Field, Duval County, Texas, should be transferred to Three-C 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. New Voyage does not have a "good faith claim" to continue to operate the Salinas (12716) Lease, Well No. 3, San Diego, SW (Cole) Field, Duval County, Texas.
5. Three-C does have a "good faith claim" to continue to operate the to operate the Salinas (12716) Lease, Well No. 3, San Diego, SW (Cole) Field, Duval County, Texas.

IT IS THEREFORE ORDERED that the application of Three-C Oil and Gas 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, Three-C Oil and Gas 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.

Signed February 11, 2020.

**Railroad Commission of Texas (Order approved
and signatures affixed by Hearings Division
Unprotested Master Order dated February 11, 2020)**