

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. OG-19-00001770

SINGLE SIGNATURE P-4 FILING OF OVERSTREET, JAMIE L (OPERATOR NO. 628592) FOR THE SMELLEY, J.W. (00332) LEASE, ALL WELLS, CROWN, E. (NAVARRO) FIELD, ATASCOSA COUNTY, TEXAS TO CHANGE THE OPERATOR FROM STRATA STAR PETROLEUM CORPORATION (OPERATOR NO. 825461) TO OVERSTREET, JAMIE L; DISTRICT 01

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 Strata Star Petroleum Corporation (Operator No. 825461), ("Strata Star"), and Overstreet, Jamie L (Operator No. 628592), ("Overstreet").
2. Strata Star is the operator of record for the Smelley, J.W. (00332) Lease, Well Nos. 2, 3, and 11, Crown, E. (Navarro) Field, Atascosa County, Texas.
3. On or about November 6, 2019, Overstreet submitted to the Commission a Form P-4 *Certificate of Compliance and Transportation Authority* requesting transfer of the Smelley, J.W. (00332) Lease, All Wells, Crown, E. (Navarro) Field, Atascosa County, Texas, from Strata Star to Overstreet, as operator of record.
4. All Commission correspondence to Strata Star was sent via United States Postal Service first-class mail to Strata Star's address of record, as set forth on Strata Star's most recent Form P-5 *Organization Report*.
5. All Commission correspondence to Overstreet was sent via United States Postal Service first-class mail to Overstreet's address of record, as set forth on Overstreet's most recent Form P-5 *Organization Report*.
6. On or about December 12, 2019, the Administrative Law Judge requested in writing that Strata Star 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 January 13, 2020. 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. Strata Star's Form P-5 is delinquent. Strata Star had a no financial assurance at the time of the last Form P-5 annual renewal submission in 2001.
8. Overstreet's Form P-5 is active. Overstreet has a \$50,000.00 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 November 2002.
11. Strata Star failed to reply to the Administrative Law Judge's letter dated December 12, 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. Overstreet submitted a letter of explanation, an Oil and Gas Lease, and a Texas Form Assignment of Oil and Gas Leases purporting to show that it holds a "good faith claim" to operate the property
13. Strata Star does not have a "good faith claim" to operate the subject lease.
14. Overstreet 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), Strata Star and Overstreet have waived the opportunity to request a hearing on the matter.
16. The Smelley, J.W. (00332) Lease, All Wells, Crown, E. (Navarro) Field, Atascosa County, Texas, should be transferred to Overstreet 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. Strata Star does not have a "good faith claim" to continue to operate the Smelley, J.W. (00332) Lease, All Wells, Crown, E. (Navarro) Field, Atascosa County, Texas.
5. Overstreet does have a "good faith claim" to continue to operate the to operate the Smelley, J.W. (00332) Lease, All Wells, Crown, E. (Navarro) Field, Atascosa County, Texas.

IT IS THEREFORE ORDERED that the application of Overstreet, Jamie L 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, Overstreet, Jamie L 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)**