RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL & GAS DOCKET NO. OG-20-00002349: GOOD FAITH CLAIM REVIEW OF BOSS OPERATING LLC (OPERATOR NO. 083262) FOR THE KELLER, M.V., 23 ACRES (07484) LEASE, ALL WELLS, YOUNG COUNTY REGULAR FIELD, YOUNG COUNTY, TEXAS; DISTRICT 09

OIL & GAS DOCKET NO. OG-20-00002350: GOOD FAITH CLAIM REVIEW OF BOSS OPERATING LLC (OPERATOR NO. 083262) FOR THE KELLER, M.V., 100 ACRES (07485) LEASE, ALL WELLS, YOUNG COUNTY REGULAR FIELD, YOUNG COUNTY, TEXAS; DISTRICT 09

FINAL ORDER

The Railroad Commission of Texas ("Commission" or "RRC") finds that after statutory notice and an opportunity for hearing regarding the captioned proceeding, Boss Operating LLC did participate and GBF Operating, LLC failed to request a hearing and did not otherwise participate. 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 December 3, 2019, Boss Operating LLC ("Boss"), RRC Operator No. 083262, filed dual-signature Form P-4s *Certificates of Compliance and Transportation Authority* ("Form P-4s") requesting that it be designated the Commission operator of record for all wells on the following leases ("Leases") in Young County:
 - a. The Keller, M.V., 23 Acres (07484) Lease, in the Young County Regular Field; and
 - b. The Keller, M.V., 100 Acres (07485) Lease, in the Young County Regular Field.
- 2. GBF Operating LLC ("GBF"), RRC Operator No. 298359, is the current Commission operator of record for the Leases.
- 3. In a letter dated January 17, 2020, a Commission Administrative Law Judge ("ALJ") requested in writing that Boss either: (1) provide evidence that it holds a "good faith claim" to a continuing right to operate the referenced properties; or (2) request a hearing on the matter on or before February 18, 2020. The letter was sent via first-class mail to the addresses of record at the Commission of Boss and

GBF, as identified in their most recent filings of Form P-5 *Organization Report* ("Form P-5").

- 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. At least ten days' notice of an opportunity for hearing was given to Boss and GBF.
- 6. To demonstrate its good faith claim to operate the Leases, Boss presented documentation including an oil, gas and mineral lease giving Boss the right to operate and produce the minerals from the tracts where the Leases are located.
- 7. Boss has a current Form P-5 with a \$50,000 cash deposit as its financial assurance. Boss is currently the record operator of 6 wells. Boss's status at the Commission is active.
- 8. Boss has demonstrated a good faith claim to a continuing right to operate the Leases.
- 9. The Leases should be transferred to Boss as operator of record.

Conclusions of Law

- 1. Proper notice of hearing was timely issued to 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. Boss has a good faith claim to operate the wells on the Leases.

Ordering Provisions

IT IS THEREFORE ORDERED that the applications of Boss to change the RRC operator of record for the Leases are **APPROVED** and Boss's submitted Form P-4s reflecting itself as the current operator for the Leases 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, Boss 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 April 21, 2020, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by HD Unprotested Master Order dated April 21, 2020)

JNC/mls