

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

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**OIL & GAS DOCKET NO. OG-20-00002638: GOOD FAITH CLAIM REVIEW OF TRISTAR OIL & GAS (OPERATOR NO. 871133) FOR THE PEREZ (11774) LEASE, BUENO SUENO (QUEEN CITY) FIELD, WEBB COUNTY, TEXAS; DISTRICT 04**

**OIL & GAS DOCKET NO. OG-20-00002639: GOOD FAITH CLAIM REVIEW OF TRISTAR OIL & GAS (OPERATOR NO. 871133) FOR THE WORDEN - DROUGHT (GAS ID NO. 041674) LEASE, CHARAMOUSCA, W. (WILCOX 2 SEG B) FIELD, DUVAL COUNTY, TEXAS; DISTRICT 04**

**OIL & GAS DOCKET NO. OG-20-00002640: GOOD FAITH CLAIM REVIEW OF TRISTAR OIL & GAS (OPERATOR NO. 871133) FOR THE LEAL (11791) LEASE, BUENO SUENO (QUEEN CITY) FIELD, WEBB COUNTY, TEXAS; DISTRICT 04**

**OIL & GAS DOCKET NO. OG-20-00002641: GOOD FAITH CLAIM REVIEW OF TRISTAR OIL & GAS (OPERATOR NO. 871133) FOR THE WORDEN - DROUGHT (GAS ID NO. 045236) LEASE, CHARAMOUSCA, W. (WILCOX 2 SEG E) FIELD, DUVAL COUNTY, TEXAS; DISTRICT 04.**

**OIL & GAS DOCKET NO. OG-20-00002642: GOOD FAITH CLAIM REVIEW OF TRISTAR OIL & GAS (OPERATOR NO. 871133) FOR THE WORDEN-DROUGHT (GAS ID NO. 056752) LEASE, CHARAMOUSCA, WEST (2100) FIELD, DUVAL COUNTY, TEXAS; DISTRICT 04.**

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**FINAL ORDER**

The Railroad Commission of Texas ("Commission" or "RRC") finds that after statutory notice and an opportunity for hearing regarding the captioned proceeding, Tristar Oil & Gas failed to request a hearing and did not otherwise respond such that this case can proceed as a default. This proceeding having duly been 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. Tristar Oil & Gas ("Tristar"), RRC Operator No. 871133, filed Commission Form P-4s *Certificate of Compliance and Transportation Authority* ("Form P-4s") requesting that it be designated the Commission operator of record for the following leases ("Leases"):
  - a. Oil & Gas Docket No. OG-20-00002638: the Perez (11774) Lease, Bueno Sueno (Queen City) Field, Webb County, Texas;

- b. Oil & Gas Docket No. OG-20-00002639: the Worden - Drought (Gas ID No. 041674) Lease, Charamousca, W. (Wilcox 2 Seg B) Field, Duval County, Texas;
- c. Oil & Gas Docket No. OG-20-00002640: The Leal (11791) Lease, Bueno Sueno (Queen City) Field, Webb County, Texas;
- d. Oil & Gas Docket No. OG-20-00002641: The Worden - Drought (Gas ID No. 045236) Lease, Charamousca, W. (Wilcox 2 Seg E) Field, Duval County, Texas; and
- e. Oil & Gas Docket No. OG-20-00002642: The Worden-Drought (Gas ID No. 056752) Lease, Charamousca, West (2100) Field, Duval County, Texas.

The Form P-4s contain the signature for Tristar, as well as the signature for the current Commission operator of record for the Leases.

- 2. Wallis Energy, Inc. ("Wallis") (Operator No. 893997) is the current RRC operator of record for the Leases.
- 3. According to Commission records, each of the Leases is either severed or contains sealed wells. The Hearings Division received requests from the Commission's P-5 Financial Assurance Unit for a good faith claim review regarding the Form P-4s.
- 4. In a letter dated March 2, 2020, a Commission Administrative Law Judge ("ALJ") requested in writing that Tristar either (1) provide evidence that it holds a "good faith claim" to a continuing right to operate the Leases or (2) request a hearing on the matter on or before April 1, 2020. This writing expressly notified Tristar that failure to timely request a hearing would constitute waiver of the provided opportunity given to request a hearing. The letter was sent via first-class mail to Tristar's address of record at the Commission as identified in Tristar's most recent filing of the Commission Form P-5 *Organization Report* ("Form P-5").
- 5. 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).
- 6. Tristar failed to provide evidence that it holds a good faith claim, failed to request a hearing and failed to otherwise respond to the ALJ's March 2, 2020 letter. Wallis also failed to respond to the letter.
- 7. At least ten days' notice of an opportunity for hearing was given to Tristar and Wallis.

8. Tristar does not have a good faith claim to operate the Leases.
9. Pursuant to Tex. Gov't Code §§ 2001.056 and 2001.062(e), Tristar and Wallis were provided an opportunity to request a hearing and failed to do so.

### **Conclusions of Law**

1. Proper notice of opportunity for hearing was timely issued to persons entitled to notice. See, e.g., Tex. Gov't Code § 2001.051; 16 Tex. Admin. Code § 1.42.
2. The Commission has jurisdiction in this case. See, e.g., Tex. Nat. Res. Code § 81.051.
3. Tristar does not have a good faith claim, as that term is defined in Statewide Rule 15(a)(5), to continue operating the Leases. 16 Tex. Admin. Code § 3.15(a)(5).

### **Ordering Provisions**

**IT IS ORDERED** that the applications of Tristar to change the RRC operator of record for the Leases are **DENIED** and Tristar's submitted Form P-4s reflecting itself as the current operator of the Leases are hereby **DENIED** and **DISMISSED**.

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 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 the parties are notified of this order in accordance with Tex. Gov't Code § 2001.144.

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

Done May 20, 2020.

**RAILROAD COMMISSION OF TEXAS**  
(Order approved and signatures affixed by HD  
Unprotested Master Order dated May 20, 2020)

JNC/mls