

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. OG-20-00002868: GOOD FAITH CLAIM REVIEW OF DUAL QUIVER OIL & GAS OPERATING, LLC (OPERATOR NO. 229372) FOR THE MOE (GAS ID NO. 217189) LEASE, WELL NO. 1H, NEWARK, EAST (BARNETT SHALE) FIELD, BOSQUE 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, Dual Quiver Oil & Gas Operating, LLC did participate, and Alaron Energy, Inc. 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 February 18, 2020, Dual Quiver Oil & Gas Operating, LLC (“Dual Quiver”), RRC Operator No. 229372, filed a dual-signature Form P-4 *Certificate of Compliance and Transportation Authority* (“Form P-4”) requesting that it be designated the Commission operator of record for the Moe (Gas ID No. 217189) Lease, Well No. 1H, in the Newark, East (Barnett Shale) Field, in Bosque County, Texas (the “Well”). The Form P-4 was signed by Dual Quiver and Alaron Energy, Inc. (“Alaron”), RRC Operator No. 010450, the current Commission operator of record for the Well.
2. On or about February 27, 2020, the Commission’s Office of General Counsel – Legal Enforcement Section referred the Form P-4 to the Hearings Division for a good faith claim review.
3. In a letter dated March 3, 2020, a Commission Administrative Law Judge (“ALJ”) notified Alaron that if it objected to Dual Quiver’s taking over the Well, it must request a hearing on the matter on or before March 17, 2020. This letter expressly notified Alaron that failure to timely request a hearing would constitute waiver of the opportunity to request a hearing for this proceeding. The letter was sent via first-class mail to Alaron’s address of record at the Commission, as identified in its most recent filing 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 Dual Quiver and Alaron.
6. To demonstrate its good faith claim to operate the Well, Dual Quiver presented documentation giving Dual Quiver the right to operate and produce the minerals from the tract where the Well is located.
7. Dual Quiver has a current Form P-5 with a \$50,000 letter of credit as its financial assurance. Dual Quiver is currently the record operator of 16 wells. Dual Quiver’s status at the Commission is active.
8. Pursuant to Tex. Gov’t Code §§ 2001.056 and 2001.062(e), Alaron was provided an opportunity to request a hearing and failed to do so.
9. Dual Quiver has demonstrated a good faith claim to a continuing right to operate the Well.
10. The Well should be transferred to Dual Quiver 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. Dual Quiver has a good faith claim to operate the Well.

Ordering Provisions

IT IS THEREFORE ORDERED that the application of Dual Quiver to change the RRC operator of record for the Well is **APPROVED** and Dual Quiver’s submitted Form P-4 *Certificate of Compliance and Transportation Authority* reflecting itself as the current operator for the Well 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, Dual Quiver has not met the requirements of the listed provisions, this Final Order shall be **VOID** and the subject Form P-4 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 16th day of June 2020, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by HD
Unprotested Master Order dated June 16, 2020)

JNC/mls