

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 01-0299956

Complaint of Roy W. Vaughn that Genesis Well Service (Op. No. 300210) Does Not Have a Good Faith Claim to Operate the City of Pearsall (13077) Lease, Well No. 1, Pearsall (Austin Chalk) Field, Frio County, Texas.

FINAL ORDER

The Commission finds that after notice and an opportunity for hearing regarding the captioned matter, the Operator has submitted written evidence rather than request a hearing. This matter having been duly submitted, the Railroad Commission of Texas enters and adopts findings of fact and conclusions of law, as follows:

FINDINGS OF FACT

1. Genesis Well Service (Operator No. 300210) is the operator of record for the City of Pearsall (13077) Lease, Well No. 1, Pearsall (Austin Chalk) Field, Frio County, Texas.
2. By letter received at the Commission on March 17, 2016, Roy W. Vaughn complained that Genesis Well Service does not have a good faith claim to operate the captioned lease and well.
3. By letter dated March 24, 2016 Commission staff requested that Genesis Well Service either (1) provide evidence that it holds a good faith claim to a continuing right to operate the referenced well or (2) request a hearing on the matter on or before April 24, 2016. The letter expressly notified the operator that its decision to submit written evidence or its failure to timely request a hearing would constitute waiver of the opportunity to request a hearing on the matter.
4. Genesis Well Service timely filed a reply which was received at the Commission on April 25, 2016 (April 24, 2016 was a Sunday).
 - a. Genesis Well Service did not file evidence of its good faith claim to continue to operate the subject lease and well. Genesis Well Service did not request a hearing. Thus, Genesis Well Service chose to rely on informal disposition of the docket Pursuant to Texas Gov't Code §§2001.056 and 2001.062(e).

- b. The Genesis Well Service response states, "Please find enclosed approved Form W-3A. We are in the process of getting bids to complete the plugging of this well."
 - c. The City of Pearsall (13077) Lease, Well No. 1 last reported production in March 2002 and has not reported any production since that time. Genesis Well Service became the operator of the City of Pearsall (13077) Lease by P-4 transfer effective August 1, 2012 with an approval date of August 23, 2012.
 - d. After becoming the Form P-4 operator of the City of Pearsall (13077) Lease, Well No. 1, Genesis Well Service sold 72 barrels of stock on hand from the lease tank battery, but did not produce any oil.
5. Genesis currently has an "Approved" plugging extension for Well No. 1 (API# 163-33042), City of Pearsall (13077) Lease, Frio County, Texas. The current plugging extension is not supported by a good faith claim to operate the well.

CONCLUSIONS OF LAW

1. All things have occurred to give the Railroad Commission of Texas jurisdiction in this matter.
2. Genesis Well Service does not have a good faith claim to operate the City of Pearsall (13077) Lease, Well No.1, Pearsall (Austin Chalk) Field, Frio County, Texas.
3. The "Approved" plugging extension currently in effect for the City of Pearsall (13077) Lease, Well No. 1, Frio County, Texas, should be cancelled.

Accordingly, the Railroad Commission of Texas hereby **ORDERS** that the Genesis Well Service plugging extension for the City of Pearsall (13077) Lease, Well No. 1, Frio County, Texas be **CANCELLED** and the Railroad Commission of Texas hereby **ORDERS** that Genesis Well Service **PLUG** the City of Pearsall (13077) Lease, Well No.1, Pearsall (Austin Chalk) Field, Frio County, Texas.

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 90 days from the date the Commission Order is signed.

All requested Findings of Fact and Conclusions of Law which are not expressly adopted herein are **DENIED**. All pending motions and request for relief not previously granted or granted herein are **DENIED**.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division Unprotected Master
Order dated June 7, 2016)**