



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0304797

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**THE APPLICATION OF SEI OPERATING LLC (763302) TO SUPERSEDE THE PROVISION IN THE FINAL ORDER ENTERED ON FEBRUARY 23, 2016, IN OIL & GAS DOCKET NO. 01-299310 REQUIRING VISTAR OIL TEXAS (8862860 TO PLUG THE LYSSY-DEERING (18228) LEASE, WELL NO. 1H, MARCELINA CREEK (BUDA) FIELD, WILSON COUNTY, TEXAS, AND TO APPROVE SEI OPERATING, LLC AS OPERATOR OF RECORD**

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**HEARD BY:** Clayton Hoover – Administrative Law Judge  
Paul Dubois– Technical Examiner

**HEARING DATE:** May 24, 2017  
**CONFERENCE DATE:** June 6, 2017

**APPEARANCES:** **REPRESENTING:**  
**APPLICANT:** SEI Operating LLC

David J. Shexnaydre  
L.P. Brown, III

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

SEI Operating Energy LLC ("SEI Operating") requests to supersede the plugging order for the Lyssy-Deering (18228) Lease, Well No. 1H in the Marcelina Creek (Buda) Field, Wilson County, Texas, and to become the operator of record for such well. In support of its application, SEI Operating submitted the following Exhibits:

- 1) Exhibit A is a page from the Commission Online Query system showing that SEI Operating holds a valid P-5.
- 2) Exhibit B is a copy of the Final Order in Oil and Gas Docket 01-299310 by which the Lyssy-Deering well was ordered to be plugged.
- 3) Exhibit C is a plat showing the Lyssy-Deering Well No. 1H.

- 4) Exhibit D is a copy of an Oil and Gas Lease dated April 10, 2017, from Nell M. Lyssy, as Lessor and Runner Resources, LLC, as Lessee, signed by Mr. Brown
- 5) Exhibit E is a copy of the Directional Survey and Certificate on the Lyssy-Deering Well No. 1-H from Gyrodata Corpus Christi.
- 6) Exhibit F is an Affidavit from L. P. Brown, III stating that Mr. Brown is the President and Managing Member of both SEI Operating, LLC and Runner Resources, LLC, and that those entities have no relationship with the prior operator, Vistar Oil Texas, LLC
- 7) Exhibit G is a copy of a proposed workover procedure for the Lyssy-Deering Well.

The Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend approval of the application.

### **DISCUSSION OF THE EVIDENCE**

The documentary evidence and testimony of Mr. Brown shows that SEI Operating, LLC has a valid P-5, current financial assurance in the form of a \$50,000 letter of credit and is capable of assuming operations of the Lyssing-Deering Well.

### **FINDINGS OF FACT**

1. Notice of this hearing was provided to all parties to whom notice entitled thereto.
2. The Lyssing-Deering Well has not been plugged by Vistar Oil of Texas as required by the Final Order in Oil and Gas Docket 01-0299310.
3. SEI Operating, LLC has a valid P-5 and current financial assurance in the form of a \$50,000 letter of credit.

### **CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.

3. It is in the public interest.
4. SEI Operating, LLC has a valid P-5 and current financial assurance in the form of a \$50,000 letter of credit and should receive approval for the P-4 establishing SEI Operating LLC as Operator of record for the Lyssy-Deering (18228) Lease, Well No. 1H in the Marcelina Creek (Buda) Field, Wilson County, Texas.

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission approve this Application to supersede the plugging order contained in the Final Order issued by the Commission in Oil and Gas Docket 01-299310 on February 23, 2016, and approve the P-4 establishing SEI Operating LLC as Operator of record for the Lyssy-Deering (18228) Lease, Well No. 1H in the Marcelina Creek (Buda) Field, Wilson County, Texas.

Respectfully submitted,

  
Clayton Hoyer  
Administrative Law Judge

  
Paul Dubois  
Technical Examiner