

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

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**Oil & Gas Docket No. 7B-0318267: Complaint by SNOCO, Ltd. that Williams Deville Operating, Inc. (Operator No. 924647) Does Not Have a Good Faith Claim to Operate the Snyder "117" B (29665) Lease, Well No. 3, Callahan County Regular Field, Callahan County, Texas**

**Oil & Gas Docket No. 7B-0318268: Complaint by SNOCO, Ltd. that Williams Deville Operating, Inc. (Operator No. 924647) Does Not Have a Good Faith Claim to Operate the Snyder "117" (29100) Lease, Well No. 1, Callahan County Regular Field, Callahan County, Texas**

**Oil & Gas Docket No. 7B-0318269: Complaint by SNOCO, Ltd. that Williams Deville Operating, Inc. (Operator No. 924647) Does Not Have a Good Faith Claim to Operate the Snyder "117" (Gas ID No. 221685) Lease, Well No. 2, Lundschen (Lower Lake Sand) Field, Callahan County, Texas**

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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, Williams Deville Operating, Inc. failed to appear at the hearing such that this docket 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. The Commission received a complaint from SNOCO, Ltd. ("Complainant") alleging Williams Deville Operating, Inc. ("Williams Deville"), RRC Operator No. 924647, does not have a good faith claim to operate the following leases ("Leases") because the written lease relied upon by Williams Deville has terminated due to lack of production:
  - Snyder "117" B (29665) Lease
  - Snyder "117" (29100) Lease
  - Snyder "117" (Gas ID No. 221685) Lease
2. Williams Deville is the current RRC operator of record for the Leases and became the RRC record operator in June 2017.

3. In a letter dated March 6, 2019, a Commission Administrative Law Judge (“ALJ”) requested in writing that Williams Deville file a response to the subject complaint by March 26, 2019, and that Complainant set a hearing for this case by April 8, 2019.
4. On March 14, 2019, Complainant set a hearing for this case.
5. On March 18, 2019, Williams Deville filed a response to the subject complaint.
6. On April 2, 2019, a Notice of Hearing setting the hearing for June 3, 2019, was sent by first class mail to Complainant and to Williams Deville. There is no record that the first class mail was returned.
7. At the hearing on June 3, 2019, Complainant appeared. Williams Deville did not appear.
8. On July 30, 2019, a second notice of the hearing was sent by first class mail to Williams Deville’s most recent Commission Form P-5 (Organization Report) (“Form P-5”) address giving Williams Deville until August 9, 2019 to object or otherwise participate in this matter.
9. At least ten days’ notice of the hearing was given to Williams Deville and Complainant.
10. Complainant submitted evidence including testimony and documentation showing the following:
  - a. Complainant owns mineral rights and surface where the Leases are located.
  - b. The land and wells where the Leases are located are in a dilapidated state with overgrown vegetation.
  - c. The underlying written lease relied on by William Deville is a *Paid-Up Oil and Gas Lease* dated March 16, 2015. It has a primary term of 3 years and as long thereafter as hydrocarbons are produced in commercial paying quantities.
11. There has been no reported injection on the Snyder “117” B (29665) Lease since 2014.
12. There has been no reported production on the Snyder “117” (29100) Lease since September 2014.
13. There has been no reported production on the Snyder “117” (Gas ID No. 221685) Lease since July 2008.

14. 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).
15. Williams Deville does not have a good faith claim to operate the wells on the Leases.
16. Absent a good faith claim to operate, the wells on the Leases are not eligible for extensions to the plugging requirements in Statewide Rule 14 and 15 as provided for in Statewide Rule 15(e).
17. The wells on the Leases should be plugged and any plugging extensions relating to them should be revoked.
18. Pursuant to Tex. Gov’t Code §§ 2001.056 and 2001.062(e), Williams Deville was provided notice and an opportunity for hearing and failed to appear at the hearing.

#### **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 § 1.45(a).
2. The Commission has jurisdiction in this case. See, e.g., Tex. Nat. Res. Code § 81.051.
3. Williams Deville does not have a good faith claim, as that term is defined in Statewide Rule 15(a)(5), to continue operating the wells on the Leases. 16 Tex. Admin. Code § 3.15(a)(5).
4. The wells on the Leases are not eligible for plugging extensions and the wells should be plugged.

**IT IS THEREFORE ORDERED** that Williams Deville does not have a good faith claim to operate the wells on the Leases, that any plugging extensions for the wells be cancelled, and that a good-faith-claim hold be placed on any P-4 transfers for the Leases. Williams Deville is **ORDERED** to plug the wells on the Leases and place the Leases in compliance with Statewide Rules 8, 14, and 15 (16 Tex. Admin. Code §§ 3.8, 3.14 and 3.15), and any other applicable Commission rules no later than 30 days after this order becomes final.

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 90 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 this 20<sup>th</sup> day of August, 2019, in Austin, Texas.

**RAILROAD COMMISSION OF TEXAS**

(Order approved and signatures affixed by HD  
Unprotected Master Order dated August 20,  
2019)

JNC/mls