

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. OG-19-00001104

COMPLAINT FILED BY LOVING COUNTY MINERALS, L.P. THAT ENDEAVOR ENERGY RESOURCES, L.P. (OPERATOR NO. 251726) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE JOHNSON "44" (272099) LEASE, WELL NO. 1, MOORE-HOOPER (WFCMP/PENN CONS) FIELD, LOVING COUNTY, TEXAS; DISTRICT 08.

FINAL ORDER

The Commission finds that after notice and opportunity for hearing, the operator of the captioned lease failed to respond with evidence purporting to demonstrate that the operator maintains a "good faith claim" to operate the captioned lease. The proceeding having been duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, the Commission makes the following Findings of Facts and Conclusions of Law.

Findings of Fact

1. Endeavor Energy Resources L.P. ("Endeavor") holds Form P-5 *Organization Report* Operator No. 251726. Endeavor is the current Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the Johnson "44" (272099) Lease, Moore-Hooper (Wlfcmp/Penn Cons) Field, Loving County, Texas.
2. On or about September 13, 2019, Loving County Minerals, L. P., submitted to the Commission a complaint letter alleging that Endeavor lacks authority to operate the Johnson "44" (272099) Lease, Well No. 1.
3. On or about October 1, 2019, the Administrative Law Judge requested in writing that Endeavor either: (1) provide evidence that it holds a good faith claim to a continuing right to operate the referenced property; or (2) request a hearing on the matter within 30 days of the date of the letter. This writing expressly notified the operator that failure to timely request a hearing would constitute waiver of the opportunity to request a hearing on the matter.
4. Endeavor failed to submit any evidence for a good faith claim or to request a hearing.
5. Endeavor's Form P-5 is Active-Ext. Endeavor has a \$125,000.00 cash deposit as its financial assurance.
6. Endeavor became the Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the Johnson "44" (272099) Lease, Well No. 1, by filing a Form P-4 dated effective May 1, 2012.

7. By Release of Oil and Gas Lease dated August 23, 2011, recorded as Instrument Number 2011-1374 in the Official Public Records, Loving County, Texas, Endeavor released that certain Oil and Gas Lease dated June 28, 2000, from the Community Bank of Raymore, Trustee, as Lessor or Agent, to RK Petroleum Corp., as Lessee, recorded in Volume 14, Page 663, Official Public Records, Loving County, Texas as to all of Section 44, Block 53, Township 2, T&P Railway Co. Survey Loving County, Texas, below 7500 feet subsurface.
8. The subject lease has no reported production since April 2011.
9. 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)].
10. Endeavor failed to file any evidence to demonstrate Endeavor's "good faith claim" to a continuing right to operate the Johnson "44" (272099) Lease, Well No. 1. Therefore, Endeavor does not have a "good faith claim" to operate the subject lease.
11. Absent a "good faith claim" to operate, the subject lease is not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).
12. Absent eligibility for an extension to the plugging requirements of Statewide Rule 15(e)(3), any plugging extensions of the Johnson "44" (272099) Lease, Well No. 1, should be cancelled pursuant to Statewide Rule 15(h).

Conclusions of Law

1. Proper notice of hearing was timely issued to appropriate persons entitled to notice.
2. All things necessary to the Commission attaining jurisdiction have occurred.
3. Endeavor does not have a "good faith claim" to operate the Johnson "44" (272099) Lease, Well No. 1.
4. The Johnson "44" (272099) Lease, Well No. 1 is not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).
5. Any plugging extensions for the Johnson "44" (272099) Lease, Well No. 1, should be cancelled pursuant to Statewide Rule 15(h).

THEREFORE, THE RAILROAD COMMISSION OF TEXAS HEREBY FINDS that ENDEAVOR ENERGY RESOURCES L.P. (Operator No. 251726) does not have a "good faith claim" to operate the Johnson "44" (272099) Lease, Moore-Hooper (Wlfcmp/Penn Cons) Field, Loving County, Texas, and **HEREBY ORDERS** that any plugging extensions for the Johnson "44" (272099) Lease, Well No. 1, be cancelled, that a good-faith-claim

hold be placed on any P-4 transfers for such wells, and that ENDEAVOR ENERGY RESOURCES L.P. shall plug and abandon the well on the Johnson "44" (272099) Lease in accordance with Statewide Rule 14.

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 100 days from the date Commission Order is signed. All pending motions and requests for relief not previously or herein granted are denied.

Done this 17th day of December 2019, Austin, Texas.

**Railroad Commission of Texas (Order approved
and signatures affixed by Hearings Division
Unprotested Master Order dated December 17,
2019)**