

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 7B-0309721

COMPLAINT BY FRED WENDEBORN THAT RISTER OIL & GAS INTERNATIONAL LLC (713291) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE FRED WENDEBORN (30804) LEASE, WELL NOS. 1 AND 2, HASKELL COUNTY REGULAR FIELD, HASKELL COUNTY, TEXAS

FINAL ORDER

The Railroad Commission of Texas ("Commission" or "RRC") finds that after statutory notice and an opportunity for hearing regarding the captioned proceeding, Rister Oil & Gas International LLC failed to request a hearing and did not otherwise respond such that this case 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 Fred Wendeborn ("Complainant") alleging Rister Oil & Gas International LLC ("Rister"), RRC Operator No. 713291, does not have a good faith claim to operate the Fred Wendeborn Lease, Lease No. 30804, Well Nos. 1 and 2 (the "Wells") because the written lease relied upon by Rister has expired.
2. Complainant owns 100% of the surface and mineral rights where the Wells are located.
3. Rister is the current RRC operator of record for the Wells.
4. In letter dated March 20, 2018, a Commission Administrative Law Judge ("ALJ") requested in writing that Rister either (1) provide evidence that it holds a "good faith claim" to a continuing right to operate the Wells or (2) request a hearing on the matter on or before April 20, 2018. On March 28, 2018, Rister submitted a letter to the Hearings Division stating that it intended to plug the Wells. Rister did not request a hearing. On April 25, 2018, the ALJ sent a second letter notifying Rister of its opportunity to either present evidence of a good faith claim or request a hearing. This letter gave Rister a deadline of May 4, 2018, to request a hearing. Both the March 20, 2018 and April 25, 2018 letters from the ALJ expressly notified Rister that failure to timely request a hearing would constitute waiver of the provided opportunity given to request a hearing. The letters were sent via first-class mail to Rister's address of record at the Commission as identified in Rister's most recent filing of the Commission Form P-5 *Organization Report* ("Form P-5").

5. 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).
6. Rister failed to provide evidence that it holds a good faith claim to a continuing right to operate the Wells and failed to request a hearing.
7. At least ten days’ notice of an opportunity for hearing was given to Rister and Complainant.
8. To support his claim, Complainant submitted a letter with documentation showing the Wells are inactive and a 2008 contractual lease with a primary term of three years and thereafter so long as there is production of hydrocarbons.
9. There has been no reported production on the Wells since at least December 2014.
10. Rister does not have a good faith claim to operate the Wells.
11. Absent a good faith claim to operate, the Wells are not eligible for extensions to the plugging requirements in Statewide Rule 14 and 15 as provided for in Statewide Rule 15(e).
12. The Wells should be plugged and any plugging extensions relating to them should be revoked.
13. Pursuant to TEX. GOV’T CODE §§ 2001.056 and 2001.062(e), Rister was provided an opportunity to request a hearing and failed to do so.

CONCLUSIONS OF LAW

1. Proper notice of opportunity for 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.
2. The Commission has jurisdiction in this case. See, e.g., TEX. NAT. RES. CODE § 81.051.
3. Rister does not have a good faith claim, as that term is defined in Statewide Rule 15(a)(5), to continue operating the Wells. 16 TEX. ADMIN. CODE § 3.15(a)(5).
4. The Wells are not eligible for a plugging extension and the Wells should be plugged.

ORDERING PROVISIONS

IT IS THEREFORE ORDERED that Rister is not eligible for plugging extensions for the Wells. Rister is hereby **ORDERED**, within 30 days from the day immediately following the date this order becomes final, to plug the Wells and place the subject lease in compliance with Statewide Rules 8, 14, and 15, and any other applicable Commission rules.

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 100 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 22nd day of May 2018 in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by HD
Unprotested Master Order dated May 22, 2018)

JNC/mls