

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 7B-0309890**

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**COMPLAINT BY GREEN RANCH LIMITED PARTNERSHIP THAT RIPTIDE ENERGY LLC (OPERATOR NO. 712946) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE WILLARDS WISH (27619) LEASE, WELL NO. 2A, STEPHENS COUNTY REGULAR FIELD, STEPHENS COUNTY, TEXAS**

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**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 or to attend the hearing on the merits held on June 26, 2018 at 1:30 P.M. 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.

**FINDING OF FACT**

1. Riptide Energy LLC ("Riptide") holds Form P-5 *Organization Report* Operator No. 712946. Riptide is the current Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the Willards Wish (27619) Lease, Well No. 2A, Stephens County Regular Field, Stephens County, Texas. Riptide is also the current holder of an injection permit issued under 16 Tex. Admin. Code §3.46 associated with this well and lease, Permit Number F-16479.
2. On or about March 9, 2018, Green Ranch Limited Partnership submitted to the Commission a complaint letter alleging that Riptide lacks authority to operate the Willards Wish (27619) Lease, Well No. 2A, Stephens County Regular Field, Stephens County, Texas.
3. On or about March 14, 2018, the Administrative Law Judge requested in writing that Riptide 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 on or before April 13, 2018. 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. Riptide failed to submit any evidence for a good faith claim or to request a hearing.
5. Pursuant to Complainant's request, a Notice of Hearing was sent on May 21, 2018, and a hearing on the merits was held on June 26, 2018 at 1:30 P.M. Respondent Riptide failed to appear.

6. Riptide's Form P-5 is delinquent. Riptide had a \$50,000.00 bond as its financial assurance at the time of the last Form P-5 annual renewal submission.
7. Riptide became the Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the Willards Wish (27619) Lease, Well No. 2A, Stephens County Regular Field, Stephens County, Texas, by filing a Form P-4 dated effective August 1, 2014. The lease has no reported production since August 1996. Riptide also became the P-4 operator of record of a Permit to Inject Fluid into a Reservoir Productive of Oil and Gas, No. F 16479, which is associated with the Willard's Wish Well No. 2A, Lease No. 27619.
8. 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)].
9. Riptide failed to file any evidence to demonstrate Riptide's "good faith claim" to a continuing right to operate the Willards Wish (27619) Lease, Well No. 2A, Stephens County Regular Field, Stephens County, Texas. Therefore, Riptide does not have a "good faith claim" to operate the subject lease.
10. 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).
11. Absent eligibility for an extension to the plugging requirements of Statewide Rule 15(e)(3), any plugging extensions of the Willards Wish (27619) Lease, Well No. 2A, Stephens County Regular Field, Stephens County, Texas, 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. Riptide does not have a "good faith claim" to operate the Willards Wish (27619) Lease, Well No. 2A, Stephens County Regular Field, Stephens County, Texas.
4. Riptide does not have a "good faith claim" to the Permit to Inject Fluid into a Reservoir Productive of Oil and Gas (F-16479) associated with the Willards Wish (27619) Lease, Well No. 2A, Stephens County Regular Field, Stephens County, Texas.
5. The Willards Wish (27619) Lease, Well No. 2A, Stephens County Regular Field, Stephens County, Texas is not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).

6. Any plugging extensions for the Willards Wish (27619) Lease, Well No. 2A, Stephens County Regular Field, Stephens County, Texas, should be cancelled pursuant to Statewide Rule 15(h).
7. The Permit to Inject Fluid into a Reservoir Productive of Oil and Gas (F-16479) associated with the Willards Wish (27619) Lease, Well No. 2A, Stephens County Regular Field, Stephens County, Texas should be terminated pursuant to Statewide Rule 46(d).

**THEREFORE, THE RAILROAD COMMISSION OF TEXAS HEREBY FINDS** that Riptide Energy LLC (Operator No. 712946) does not have a "good faith claim" to operate the Willards Wish (27619) Lease, Well No. 2A, Stephens County Regular Field, Stephens County, Texas, does not have a "good faith claim" to the Permit to Inject Fluid into a Reservoir Productive of Oil and Gas (F-16479) associated with the Willards Wish (27619) Lease, Well No. 2A, Stephens County Regular Field, Stephens County, Texas, and **HEREBY ORDERS** that any plugging extensions for the Willards Wish (27619) Lease, Well No. 2A, Stephens County Regular Field, Stephens County, Texas, be cancelled, that a good-faith-claim hold be placed on any P-4 transfers for such wells, that Riptide Energy LLC shall plug and abandon the well on the Willards Wish (27619) Lease, Well No. 2A, Stephens County Regular Field, Stephens County, Texas, in accordance with Statewide Rule 14, and that Permit to Inject Fluid into a Reservoir Productive of Oil and Gas (F-16479) associated with the Willards Wish (27619) Lease, Well No. 2A, Stephens County Regular Field, Stephens County, Texas is hereby terminated.

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 21st day of August 2018, Austin, Texas.

**Railroad Commission of Texas (Order approved  
and signatures affixed by Hearings Division  
Unprotested Master Order dated August 21, 2018)**