

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 8A-0319570

SINGLE SIGNATURE P-4 FILING OF APACHE CORPORATION (OPERATOR NO. 027200) FOR THE MALLET LAND & CATTLE COMPANY (65946) LEASE, WELL NOS. 3 AND 4, MALLET (FUSSELMAN) FIELD, COCHRAN COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM MIOCENE OIL & GAS, LTD. (OPERATOR NO. 570315) TO APACHE CORPORATION

FINAL ORDER

The Commission finds that after notice and opportunity for hearing, the operator of the captioned lease did not respond, and the docket proceeded as a default. 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. At least twenty days' notice was given to Miocene Oil & Gas, Ltd. (Operator No. 570315), ("Miocene"), and Apache Corporation (Operator No. 027200), ("Apache").
2. Miocene is the operator of record for the Mallet Land & Cattle Company (65946) Lease, Well Nos. 1, 2, 3, and 4, Mallet (Fusselman) Field, Cochran County, Texas.
3. On or about April 11, 2019, Apache submitted to the Commission a Form P-4 *Certificate of Compliance and Transportation Authority* and Commission Form P-6 *Request to Subdivide or Consolidate Oil Lease(s)* requesting transfer of the Mallet Land & Cattle Company (65946) Lease, Well Nos. 3 and 4, Mallet (Fusselman) Field, Cochran County, Texas, from Miocene to Apache, as operator of record.
4. All Commission correspondence to Miocene was sent via United States Postal Service first-class mail to Miocene's address of record, as set forth on Miocene's most recent Form P-5 *Organization Report*.
5. All Commission correspondence to Apache was sent via United States Postal Service first-class mail to Apache's address of record, as set forth on Apache's most recent Form P-5 *Organization Report*.
6. On or about April 25, 2019, the Administrative Law Judge requested in writing that Miocene 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 May 28, 2019. 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.

7. Miocene's Form P-5 is delinquent. Miocene had a \$50,000.00 cash deposit as its financial assurance at the time of the last Form P-5 annual renewal submission.
8. Apache's Form P-5 is active. Apache has a \$250,000.00 bond as its financial assurance.
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."
10. No production has been reported on the subject lease since July 2014.
11. Miocene failed to reply to the Administrative Law Judge's letter dated April 25, 2019, with any documents that it holds a "good faith claim" to a continuing right to operate the subject lease and failed to timely request a hearing.
12. Miocene does not have a "good faith claim" to operate Well Nos. 3 and 4 on the subject lease.
13. Apache now asserts a "good faith claim" to a continuous right to operate Well Nos. 3 and 4 on the subject lease.
14. The Mallet Land & Cattle Company (65946) Lease, Well Nos. 3 and 4, Mallet (Fusselman) Field, Cochran County, Texas, should be transferred to Apache as operator of record.

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 has occurred.
3. Resolution of this docket is a matter committed to the jurisdiction of the Commission. Tex. Gov't Code §§ 81.051.
4. Miocene does not have a "good faith claim" to continue to operate the Mallet Land & Cattle Company (65946) Lease, Well Nos. 3 and 4, Mallet (Fusselman) Field, Cochran County, Texas.
5. Apache does have a "good faith claim" to continue to operate the Mallet Land & Cattle Company (65946) Lease, Well Nos. 3 and 4, Mallet (Fusselman) Field, Cochran County, Texas.

IT IS THEREFORE ORDERED that the application of Apache Corporation for transfer of the Form P-4 "Certificate of Compliance and Transportation Authority" is hereby **APPROVED**, subject to the provisions of Tex. Nat. Res. Code §§ 91.1041, 91.1042, 91.107, 91.114, 91.142 and Tex. Admin. Code § 3.15, 3.58, and 3.78. If after 90 days after the order becomes final, Apache Corporation has not met the requirements of the listed provisions, this Order shall be **VOID** and the subject Form P-4 shall be marked as *Unable to Process* and archived.

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.

Signed June 18, 2019.

**Railroad Commission of Texas (Order approved
and signatures affixed by Hearings Division
Unprotested Master Order dated June 18, 2019)**