

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 7B-0321126: COMPLAINT OF JULIA MINK THAT VANCO OIL & GAS CORP. (OPERATOR NO. 881484) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE MINK (28096) LEASE, BARTON RANCH (STRAWN) FIELD, NOLAN COUNTY, TEXAS

OIL & GAS DOCKET NO. 7B-0321486: COMPLAINT OF JULIA MINK THAT VANCO OIL & GAS CORP. (OPERATOR NO. 881484) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE MINK -A- (29166) LEASE, EVB (CISCO MIDDLE) FIELD, NOLAN COUNTY, TEXAS

FINAL ORDER

The Commission finds that after notice and opportunity for hearing, the operator of the captioned leases failed to respond with evidence purporting to demonstrate that the operator maintains a "good faith claim" to operate the captioned leases. 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. Vanco Oil & Gas Corp. ("Vanco") holds Form P-5 *Organization Report* Operator No. 881484. Vanco is the current Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the above-referenced leases in the Barton Ranch (Strawn) and EVB (Cisco Middle) Fields, Nolan County, Texas.
2. On or about June 17, 2019, Julia Mink submitted to the Commission a complaint letter alleging that Vanco lacks authority to operate the subject leases.
3. Julia Mink alleges that she owns real property rights where the subject leases and wells are located.
4. On or about July 18, 2019, the Administrative Law Judge requested in writing that Vanco 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 August 19, 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.
5. Vanco failed to submit any evidence for a good faith claim or to request a hearing.
6. Vanco's Form P-5 is active. Vanco has a \$250,000.00 bond as its financial assurance.
7. Vanco became the Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the subject leases by filing for each of the subject

properties a Form P-4 dated effective January 1, 2019. The subject leases have no reported production since December 2018.

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. Vanco failed to file any evidence to demonstrate Vanco's "good faith claim" to a continuing right to operate the subject leases. Therefore, Vanco does not have a "good faith claim" to operate the subject leases.
10. Absent a "good faith claim" to operate, the subject leases are 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 subject leases in the Barton Ranch (Strawn) Field, Nolan 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. Vanco does not have a "good faith claim" to operate the subject leases in the Barton Ranch (Strawn) Field, Nolan County, Texas.
4. The subject leases in the Barton Ranch (Strawn) Field, Nolan County, Texas, are not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).
5. Any plugging extensions for the subject leases in the Barton Ranch (Strawn) Field, Nolan County, Texas, should be cancelled pursuant to Statewide Rule 15(h).

THEREFORE, THE RAILROAD COMMISSION OF TEXAS HEREBY FINDS that Vanco Oil & Gas Corp. (Operator No. 881484) does not have a "good faith claim" to operate the subject leases in the Barton Ranch (Strawn) Field, Nolan County, Texas, and **HEREBY ORDERS** that any plugging extensions for the subject leases in the Barton Ranch (Strawn) Field, Nolan County, Texas, be cancelled, that a good-faith-claim hold be placed on any P-4 transfers for such wells, and that Vanco Oil & Gas Corp. shall plug and abandon the wells on the subject leases in the Barton Ranch (Strawn) Field, Nolan County, Texas, in accordance with Statewide Rules 14 & 15.

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 1st day of October 2019, Austin, Texas.

**Railroad Commission of Texas (Order approved
and signatures affixed by Hearings Division
Unprotested Master Order dated October 1, 2019)**