

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 7C-0322138: COMPLAINT OF A. A. SUGG JR., TRUSTEE, SJSF MINERALS, LP, ANDREA BJELDANES, NANCY WARFIELD, AND STEVEN FARMAR, THAT FRONT STREET OPERATING, LLC (OPERATOR NO. 287095) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE SKELLY-SUGG "45" (06991) LEASE, WELL NOS. 1 AND 2, ROCK PEN (CANYON) FIELD, IRION COUNTY, TEXAS

OIL & GAS DOCKET NO. 7C-0322139: COMPLAINT OF A. A. SUGG JR., TRUSTEE, SJSF MINERALS, LP, ANDREA BJELDANES, NANCY WARFIELD, AND STEVEN FARMAR, THAT FRONT STREET OPERATING, LLC (OPERATOR NO. 287095) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE FARMAR "43-10" (08089) LEASE, WELL NOS. 1, 2 AND 3, ROCK PEN (CANYON) FIELD, IRION COUNTY, TEXAS

OIL & GAS DOCKET NO. 7C-0322140: COMPLAINT OF A. A. SUGG JR., TRUSTEE, SJSF MINERALS, LP, ANDREA BJELDANES, NANCY WARFIELD, AND STEVEN FARMAR, THAT FRONT STREET OPERATING, LLC (OPERATOR NO. 287095) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE FARMAR "44-10" (07779) LEASE, WELL NO. 1, ROCK PEN (CANYON) FIELD, IRION COUNTY, TEXAS

OIL & GAS DOCKET NO. 7C-0322141: COMPLAINT OF A. A. SUGG JR., TRUSTEE, SJSF MINERALS, LP, ANDREA BJELDANES, NANCY WARFIELD, AND STEVEN FARMAR, THAT FRONT STREET OPERATING, LLC (OPERATOR NO. 287095) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE FARMAR 44 (07373) LEASE, WELL NOS. 1, 2 AND 4, ROCK PEN (CANYON) FIELD, IRION COUNTY, TEXAS

OIL & GAS DOCKET NO. 7C-0322142: COMPLAINT OF A. A. SUGG JR., TRUSTEE, SJSF MINERALS, LP, ANDREA BJELDANES, NANCY WARFIELD, AND STEVEN FARMAR, THAT FRONT STREET OPERATING, LLC (OPERATOR NO. 287095) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE FARMER -56- (06902) LEASE, WELL NOS. 1, 2, 3, 4, 5 AND 6, ROCK PEN (CANYON) FIELD, IRION COUNTY, TEXAS

OIL & GAS DOCKET NO. 7C-0322143: COMPLAINT OF A. A. SUGG JR., TRUSTEE, SJSF MINERALS, LP, ANDREA BJELDANES, NANCY WARFIELD, AND STEVEN FARMAR, THAT FRONT STREET OPERATING, LLC (OPERATOR NO. 287095) DOES NOT HAVE A GOOD FAITH CLAIM TO OPERATE THE FARMER -57- (07207) LEASE, WELL NOS. 1, 2, 3, 4, 6 AND 8, ROCK PEN (CANYON) FIELD, IRION 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. Front Street Operating, LLC ("Front Street") holds Form P-5 *Organization Report* Operator No. 287095. Front Street is the current Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the captioned leases and wells in the Rock Pen (Canyon) Field, Irion County, Texas.
2. On or about August 1, 2019, A. A. Sugg, Jr., et al. submitted to the Commission a complaint letter alleging that Front Street lacks authority to operate the captioned leases and wells in the Rock Pen (Canyon) Field, Irion County, Texas.
3. On or about August 8, 2019, the Administrative Law Judge requested in writing that Front Street 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 September 7, 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.
4. Front Street failed to submit any evidence for a good faith claim or to request a hearing.
5. Front Street's Form P-5 is active. Front Street has a \$50,000.00 cash deposit as its financial assurance.
6. Front Street became the Form P-4 *Certificate of Compliance and Transportation Authority* operator of record for the captioned leases and wells in the Rock Pen (Canyon) Field, Irion County, Texas, on or about July 26, 2016. The captioned leases have no reported production since October 2017. The captioned leases were severed by the Commission after September 2018.
7. 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)].
8. Front Street failed to file any evidence to demonstrate Front Street's "good faith claim" to a continuing right to operate the captioned wells and leases in the Rock Pen (Canyon) Field, Irion County, Texas. Therefore, Front Street does not have a "good faith claim" to operate these properties.
9. Absent a "good faith claim" to operate, the captioned wells are not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).

10. Absent eligibility for an extension to the plugging requirements of Statewide Rule 15(e)(3), any plugging extensions of the captioned wells 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. Front Street does not have a "good faith claim" to operate the captioned wells and leases in the Rock Pen (Canyon) Field, Irion County, Texas.
4. The captioned wells are not eligible for an extension to the plugging requirements of Statewide Rule 15(e)(3).
5. Any plugging extensions for the captioned wells should be cancelled pursuant to Statewide Rule 15(h).

THEREFORE, THE RAILROAD COMMISSION OF TEXAS HEREBY FINDS that Front Street Operating, LLC (Operator No. 287095) does not have a "good faith claim" to operate the captioned wells and leases in the Rock Pen (Canyon) Field, Irion County, Texas, and **HEREBY ORDERS** that any plugging extensions for the captioned wells be cancelled, that a good-faith-claim hold be placed on any P-4 transfers for such wells, and that Front Street Operating, LLC shall plug and abandon the captioned wells in accordance with Statewide Rule 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)**