

RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 7B-0298665

SINGLE SIGNATURE P-4 FILING OF GRIFFIN RESOURCES, LLC (OP. NO. 333936) FOR THE PROCTOR LEASE, WELL NOS. 1A (RRC ID# 177967), 2 (RRC ID# 181408), AND 3 (RRC ID# 246469), PALO PINTO COUNTY REGULAR (GAS) FIELD, PALO PINTO COUNTY, TEXAS TO CHANGE THE OPERATOR FROM PUREX ENERGY, LLC (OP. NO. 683054) TO GRIFFIN RESOURCES, LLC.

FINAL ORDER

The Commission finds that after notice and opportunity for hearing, the prior 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 Fact and Conclusions of Law.

FINDINGS OF FACT

1. At least ten days notice was given to Purex Energy, LLC (Operator No. 683054) ("Purex") and Griffin Resources, LLC (Op. No. 333936) ("Griffin"). By letter dated November 12, 2015, Purex was afforded the opportunity to submit evidence of a continuing right to operate the subject lease and wells or request a hearing on the matter. Purex did not respond to the letter.
2. By failing to respond to the November 12, 2015 letter, Purex forfeited its opportunity for hearing, consequently choosing by default to rely on informal disposition of the docket pursuant to Tex. Gov't Code §§2001.056 and 2001.062(e).
3. Purex's current P-5 status is "Delinquent". Purex last filed a Form P-5 Organization Report on December 10, 2012.
4. Purex became the operator of the Proctor Lease, Well No. 1A (RRC ID# 177967) by Form P-4 with an effective date of April 1, 2007 and an approval date of April 12, 2007. The well has not produced since at least January, 2010.
5. Purex became the operator of the Proctor Lease, Well No. 2 (RRC ID# 181408) by Form P-4 with an effective date of April 1, 2007 and an approval date of April 12, 2007. The well has not produced since November, 2013.

6. Purex became the operator of the Proctor Lease, Well No. 3 (RRC ID# 246469) by Form P-4 transfer with an effective date of October 25, 2008 and an approval date of April 22, 2009. The well has not produced since April, 2014.
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. Griffin presented a contractual lease on the subject oil and gas lease. The contractual lease was entered into on September 30, 2015, between Lessors Dorothy Jean Ryan and Marion Mayhall and Lessee Griffin Resources, LLC. The lease has a primary term of one year.
9. Griffin has an active Form P-5 and has posted a Letter of Credit in the amount of \$50,000 with the Commission as financial assurance. The Letter of Credit expires September 30, 2016.

CONCLUSIONS OF LAW

1. Proper notice of an opportunity for a hearing was timely issued to appropriate persons entitled to notice.
2. All things necessary to the Commission attaining jurisdiction have occurred.
3. Griffin Resources, LLC is an active operator in good standing with the Commission.
4. Griffin Resources, LLC has presented a good faith claim to operate the Proctor Lease, Well Nos. 1A (RRC ID# 177967), 2 (RRC ID# 181408), and 3 (RRC ID# 246469), Palo Pinto Regular (Gas) Field, Palo Pinto County, Texas.

IT IS THEREFORE ORDERED that the application of Griffin Resources, LLC (Op. No. 333935) for the Form P-4 transfer of the Proctor Lease, Well Nos. 1A (RRC ID# 177967), 2 (RRC ID# 181408), and 3 (RRC ID# 246469), Palo Pinto Regular (Gas) Field, Palo Pinto County, Texas, be **APPROVED**.

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 90 days from the date the Commission Order is signed.

All pending motions and requests for relief not previously granted or granted herein are denied.

Done this 2nd day of February, 2016, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division Unprotected Master Order dated
February 2, 2016)**