

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 02 -0299347

IN RE: FORM P-4 TRANSFER OF RECORD OPERATOR FOR THE W. L. C. POETTER (01476) LEASE, WELL NOS. 2, 3, AND 4, SLICK (WILCOX) FIELD, DEWITT COUNTY, TEXAS, FROM AMERICAN PUMPING & TRUCKING TO CIBOLO ENERGY OPERATING, INC.

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 Facts and Conclusions of Law.

FINDINGS OF FACT

1. At least ten days notice was given to American Pumping & Trucking and Cibolo Energy Operating, Inc.
2. American Pumping & Trucking, Operator No. 018966, is the operator of record for the W. L. C. Poetter (01476) Lease, Well Nos. 2, 3, and 4, Slick (Wilcox) Field, located in DeWitt County, Texas.
3. Cibolo Energy Operating, Inc. holds Operator No. 153393.
4. On or about January 19, 2016, the Administrative Law Judge requested in writing that American Pumping & Trucking 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 February 19, 2016. 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. American Pumping & Trucking has a delinquent Form P-5 without sufficient financial assurance for its wells.
6. Cibolo Energy Operating, Inc. has an active Form P-5 with sufficient financial assurance to acquire the lease and wells in dispute.

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.”
8. The subject Commission-recognized lease, the W. L. C. Poetter (01476) Lease, Well Nos. 2, 3, and 4, Slick (Wilcox) Field, has been inactive for a period of six (6) years and has not reported production since January 2010.
9. Cibolo Energy Operating, Inc. presented a current oil and gas lease as its “good faith claim.” The current oil and gas lease was executed October 13, 2015, for an eighteen (18) month primary term.
 - a. Cibolo Energy Operating, Inc. presented an A.A.P.L. Form 610 – Model Form Operating Agreement – 1989 (revised) dated December 1, 2015, designating Cibolo Energy Operating, Inc. as operator, as additional evidence of its “good faith claim.”
10. American Pumping & Trucking failed to provide evidence that it holds a “good faith claim” to a continuing right to operate the referenced property and also failed to timely request a hearing.
11. American Pumping & Trucking does not hold a “good faith claim” to operate the referenced property.
12. Pursuant to TEX. GOV’T CODE §§ 2001.056 and 2001.062(e), American Pumping & Trucking and Cibolo Energy Operating, Inc. have waived the opportunity to request a hearing on the matter.
13. Cibolo Energy Operating, Inc. has demonstrated a “good faith claim” to a continuous right to operate the referenced property.
14. The W. L. C. Poetter (01476) Lease, Well Nos. 2, 3, and 4, Slick (Wilcox) Field, located in DeWitt County, Texas, should be transferred to Cibolo Energy Operating, Inc. 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 have occurred.
3. Resolution of this docket is a matter committed to the jurisdiction of the Commission. TEX. GOV'T CODE §§ 81.051.
4. American Pumping & Trucking does not have a "good faith claim" to continue to operate the subject lease and well.
5. Cibolo Energy Operating, Inc. does have a "good faith claim" to operate the subject lease and well.

IT IS THEREFORE ORDERED that the application of Cibolo Energy Operating, Inc. for transfer of the Form P-4 "Certificate of Compliance and Transportation Authority" for the W. L. C. Poetter (01476) Lease, Well Nos. 2, 3, and 4, Slick (Wilcox) Field, DeWitt County, Texas, is hereby **APPROVED**, subject to the provisions of TEX. NAT. RES. CODE §§ 91.107, 91.114, 91.142 and TEX. ADMIN. CODE § 3.15.

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 90 days from the date Commission Order is signed.

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

Done this 29th March, 2016, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

**(ORDER APPROVED AND SIGNATURES AFFIXED
BY HEARINGS DIVISION UNPROTESTED MASTER ORDER
DATED MARCH 29, 2016)**