

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 7B-0301241

Good Faith Claim Review of Broadway Petroleum Company, LLC (Op. No. 094868) for the Wadell (225568) Lease, Well No. 1, Brown Co. Regular (Marble Falls) Field, Brown County, Texas.

FINAL ORDER

The Commission finds that after notice and an opportunity for hearing regarding the captioned matter, the Operator has submitted written evidence rather than request a hearing. This matter having been duly submitted, the Railroad Commission of Texas enters and adopts findings of fact and conclusions of law, as follows:

FINDINGS OF FACT

1. Broadway Petroleum Company, LLC (Operator No. 094868) (hereinafter "Broadway") is the operator of record for the Wadell (225568) Lease, Well No. 1, Brown Co. Regular (Marble Falls) Field, Brown County, Texas.
2. By letter received at the Commission on July 25, 2016, Ray Needham complained that Broadway does not have a good faith claim to operate the captioned lease and well.
3. By letter dated August 10, 2016 Commission staff requested that Broadway either (1) provide evidence that it holds a good faith claim to a continuing right to operate the referenced well or (2) request a hearing on the matter on or before September 10, 2016. The letter expressly notified the operator that its decision to submit written evidence or its failure to timely request a hearing would constitute waiver of the opportunity to request a hearing on the matter.
4. Broadway timely filed a reply which was received at the Commission on August 16, 2016.
 - a. Broadway did not file evidence of its good faith claim to continue to operate the subject lease and well. Broadway did not request a hearing. Thus, Broadway chose to rely on informal disposition of the docket pursuant to Texas Gov't Code §§2001.056 and 2001.062(e).
 - b. The Broadway response states, "I agree with Mr. Needham, we never had a lease. In fact, we were never the operator of this lease and well. I have tried to discuss this

with the RRC's legal department on several occasions but I was told there was nothing they could do. We made the repairs to remain in compliance with the RRC to avoid any fines or penalties that would impact the leases we do operate."

- c. Broadway became the operator of the Wadell (225568) Lease, Well No. 1, Brown Co. Regular (Marble Falls) Field by Form P-4 transfer from Adino Exploration, with an approval date of December 3, 2012 and an effective date of October 1, 2012.
 - d. Since becoming the Form P-4 operator of the Wadell (225568) Lease, Well No. 1, Broadway has not filed any production reports for the lease and well.
 - e. There has been no reported production on the Wadell (225568) Lease, Well No. 1, since January, 2009.
 - f. Broadway admitted that it had exercised control over the well "...by making repairs to the well to remain in compliance with the RRC..."
5. Broadway currently has an "Approved" plugging extension for Well No. 1 (API# 049-35817) on the Wadell (225568) Lease, with an expiration date of September, 2015. The plugging extension should be removed as it has (1) expired, and (2) is not supported by a good faith claim to operate the well.

CONCLUSIONS OF LAW

1. All things have occurred to give the Railroad Commission of Texas jurisdiction in this matter.
2. Broadway Petroleum Company, LLC does not have a good faith claim to operate the Wadell (225568) Lease, Well No. 1, Brown Co. Regular (Marble Falls) Field, Brown County, Texas.
3. The "Approved" plugging extension currently in effect for the Wadell (225568) Lease, Well No. 1, Brown Co. Regular (Marble Falls) Field, Texas, should be cancelled.

Accordingly, the Railroad Commission of Texas hereby **ORDERS** that Broadway Petroleum Company, LLC plugging extension for the Wadell (225568) Lease, Well No. 1, Brown Co. Regular (Marble Falls) Field, Brown County, Texas be **CANCELLED** and the Railroad Commission of Texas hereby **ORDERS** that Broadway Petroleum Company, LLC **PLUG** the Wadell (225568) Lease, Well No. 1, Brown Co. Regular (Marble Falls) Field, Brown County, Texas.

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 requested Findings of Fact and Conclusions of Law which are not expressly adopted herein are **DENIED**. All pending motions and request for relief not previously granted or granted herein are **DENIED**.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division Unprotested Master
Order dated September 27, 2016)**