

**ROAD COMMISSION OF TEXAS**  
**LEGAL DIVISION**

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**OIL AND GAS DOCKET NO. 7C-0206221**

**COMMISSION CALLED HEARING TO DETERMINE THE PROPER OPERATOR OF  
THE V. BRILEY (02303) LEASE, WELL NO. 1, BRILEY (CAPPS) FIELD, RUNNELS  
COUNTY, TEXAS.**

**APPEARANCES:**

**FOR APPLICANT:**

Howard Pardue

**FOR PROTESTANT:**

No appearance

**APPLICANT:**

Pardue Oil Company

**PROTESTANT:**

EWD Oil Company

**PROPOSAL FOR DECISION**

**PROCEDURAL HISTORY**

**APPLICATION FILED:**

April 4, 1994

**NOTICE OF HEARING:**

August 11, 1994

**DATE CASE HEARD:**

October 5, 1994

**HEARD BY:**

Jeffrey T. Pender, Hearings Examiner

Thomas H. Richter, Technical Examiner

**PFD CIRCULATION DATE:**

November 8, 1994

**CURRENT STATUS:**

Protested

### STATEMENT OF THE CASE

Pardue Oil Company ("Pardue"), the current P-4 operator of the V. Briley Lease ("subject lease") submitted a P-4 application on April 4, 1994 to change operators from itself to EWD Oil Company ("EWD"). Pardue claims that it sold the subject well to EWD for use as an injection well and that it should no longer be held responsible as operator.

Mr. Howard Pardue, partner, appeared on behalf of Pardue Oil Company. Mr. Pardue submitted evidence and gave testimony at the hearing. There were no appearances on behalf of EWD.

### DISCUSSION OF THE EVIDENCE

In December 1992, Michael Deike of EWD sent Mr. Pardue a letter offering to buy the subject lease and equipment. In July of 1993, Pardue assigned the lease to EWD and EWD gave Pardue a check for \$3,000 as a first installment payment. The assignment and check copy were included with Pardue's P-4 application. A copy of the December "offer" letter from EWD was admitted at the hearing.

EWD never submitted a P-4 requesting to be operator of the subject lease after the assignment was made. Mr. Pardue indicated that he does not know whether EWD ever entered upon the lease. In a late-filed exhibit, Mr. Pardue indicated that all of the equipment was still intact on the lease. Pardue has not filed a W-1X, W-3A or W-3 for the subject well with the Commission. Mr. Pardue testified that Pardue Oil was the last person to file a production report for the subject lease. He testified that he has not entered the lease since the lease was sold to EWD.

### EXAMINERS' OPINION

The examiners believe that Pardue Oil Company was the person last responsible for the physical control and operation of the V. Briley Lease at the time the subject well ceased production. No other person has since taken control of the subject lease and well or produced it.

### FINDINGS OF FACT

1. Pardue Oil Company received at least 10 days notice of this hearing by regular first class and certified mail at its most recent P-5 address. The regular first class mail was not returned. The certified mail was delivered, receipt of which was acknowledged and the return receipt returned to the Commission. Mr. Pardue, partner, appeared on behalf of Pardue Oil Company.
2. EWD Oil Company received at least 10 days notice of this hearing by regular first class and certified mail at its most recent P-5 address. The regular first class mail

was not returned. The certified mail was delivered, receipt of which was acknowledged and the return receipt returned to the Commission. No one appeared on behalf of EWD Oil Company.

3. Pardue Oil Company is the current Commission-approved P-4 operator and was the last person to produce the subject lease and well and submit production reports to the Commission.
4. There have been no operations on the lease since July, 1993 when the lease was transferred to EWD.
5. No other person operated or controlled the subject lease and well after Pardue Oil Company.

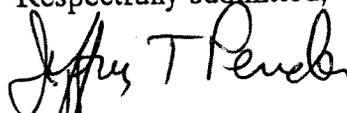
#### CONCLUSIONS OF LAW

1. Proper Notice of Hearing was timely given to all persons legally entitled to notice.
2. All things have occurred or been accomplished to give the Commission jurisdiction in this matter.
3. Pardue Oil Company is the operator of the subject lease and well under Statewide Rule 58 and according to Chapter 89, Texas Natural Resources Code.

#### EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission order the application of Pardue Oil Company to transfer operatorship of the subject lease and well over to EWD Oil Company, made on April 4, 1994, be denied.

Respectfully submitted,



Jeffrey T. Pender  
Hearings Examiner, Legal Division



Thomas Richter  
Technical Examiner