RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL & GAS DOCKET NO. 7B-0315495

Application of DJ&T Energy LLC (Operator No. 196227) to Supersede the Final Order in Oil & Gas Docket No. 7B-0309487: Complaint of Billy Don and Nolo Gene Davis that Harrell, Bob Trucking (Operator No. 359015) Does Not Have a Good Faith Claim to Operate the Victoria (29809) Lease, Well No. 2, Group, S. (Ellenburger) Field, Nolan County, Texas

FINAL ORDER

The Railroad Commission of Texas (“Commission” or “RRC”) finds that Applicant DJ&T Energy LLC (Operator No. 196227) (“DJ&T”) proved that it is in the public interest to supersede the plugging order contained in the Final Order issued in Oil & Gas Docket No. 7B-0309487 on April 10, 2018, finding that Harrell, Bob Trucking (Operator No. 359015) lacked a good faith claim to operate the Victoria (29809) Lease, Well No. 2, Group, S. (Ellenburger) Field, Nolan County, Texas. Having been duly submitted to the Railroad Commission of Texas at a conference held in its offices in Austin, Texas, the Commission makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

1. Notice was provided to all parties entitled thereto.

2. The Well on the Lease ordered plugged in the Final Order in Oil & Gas Docket No. 7B-0309487 has not been plugged.

3. DJ&T has a valid P-5 and current financial assurance in the form of a letter of credit in the amount of $50,000.00.

4. On September 21, 2018, DJ&T submitted to the Commission a dual signature Commission Form P-4 Certificate of Compliance and Transportation Authority, along with a Saltwater Disposal Lease Agreement, seeking, pending approval of this Order, to be designated as the operator of record for the subject Lease and Well.

CONCLUSIONS OF LAW

1. Proper notice of opportunity for hearing was provided to persons entitled to notice. See, e.g., TEX. GOV’T CODE § 2001.051; 16 TEX. ADMIN. CODE § 1.45(a).
2. The Commission has jurisdiction in this case. See, e.g., TEX. NAT. RES. CODE § 81.051.

3. DJ&T has a good faith claim, as that term is defined in Statewide Rule 15(a)(5), to continue operating the Well. 16 TEX. ADMIN. CODE § 3.15(a)(5).

4. An order superseding provisions of the Prior Order is necessary to prevent waste.

5. Pursuant to § 2001.144(a)(4) of the Texas Government Code, and the written agreement of the parties, this Final Order will be effective when a Master Order relating to this Final Order is signed.

IT IS THEREFORE ORDERED that the provision in the Prior Order requiring Harrel, Bob Trucking to plug the Well is hereby superseded. All other provisions of the Prior Order shall remain in full force and effect.

IT IS THEREFORE ORDERED that the application of DJ&T Energy LLC for transfer of the Form P-4 Certificate of Compliance and Transportation Authority 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 ORDERED that the RRC transfer hold on the Lease due to the Prior Order be canceled to allow transfer of the Lease to DJ&T Energy LLC.

It is ORDERED that this Final Order shall be effective when the Master Order relating to this Final Order is signed.

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

Done this 13th day of November, 2018, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Division Unprotested Master Order dated November 13, 2018)