RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

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OIL & GAS DOCKET NO. 09-0315486:

SINGLE SIGNATURE P-4 FILING OF METIS ENERGY LLC (OP. NO. 562242) FOR THE CRUM (32849) LEASE, WELL NO. 1, BRYSON (CONGLOMERATE) FIELD, JACK COUNTY, TEXAS, TO CHANGE THE OPERATOR FROM OUTLAW OPERATING INC. (OP. NO. 628430) TO METIS ENERGY LLC

FINAL ORDER

The Commission finds that after notice and opportunity for hearing, the 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.

FINDING OF FACT

1. At least twenty days' notice was given to Outlaw Operating Inc. (Operator No. 628430), ("Outlaw"), and Metis Energy LLC (Operator No. 562242), ("Metis").

2. Outlaw is the operator of record for the Crum (32489) Lease, Well No. 1, Bryson (Conglomerate) Field, Jack County, Texas.

3. On or about October 5, 2018, Metis submitted to the Commission a Form P-4 Certificate of Compliance and Transportation Authority requesting transfer of the Crum (32489) Lease, Well No. 1, Bryson (Conglomerate) Field, Jack County, Texas, from Outlaw to Metis, as operator of record.

4. All Commission correspondence to Outlaw was sent via United States Postal Service first-class mail to Outlaw's address of record, as set forth on Outlaw's most recent Form P-5 Organization Report.

5. All Commission correspondence to Metis was sent via United States Postal Service first-class mail to Metis's address of record, as set forth on Metis's most recent Form P-5 Organization Report.

6. On or about October 5, 2018, the Administrative Law Judge requested in writing that Outlaw 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. 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.
7. Outlaw's Form P-5 is delinquent.

8. Metis's Form P-5 is active-ext. Metis has a $25,000.00 cash deposit as its financial assurance.

9. 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."

10. No production has been reported on the subject lease since January 1993.

11. Outlaw failed to reply to the Administrative Law Judge's letter dated October 5, 2018, with any documents that it holds a "good faith claim" to a continuing right to operate the subject lease and failed to timely request a hearing.

12. Outlaw does not have a "good faith claim" to operate the subject lease.

13. Pursuant to TEX. GOV'T CODE §§ 2001.056 and 2001.062(e), Outlaw and Metis have waived the opportunity to request a hearing on the matter.

14. Metis now asserts a "good faith claim" to a continuous right to operate the subject lease.

15. The Crum (32489) Lease, Well No. 1, Bryson (Conglomerate) Field, Jack County, Texas, should be transferred to Metis 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. Outlaw does not have a "good faith claim" to continue to operate the Crum (32489) Lease, Well No. 1, Bryson (Conglomerate) Field, Jack County, Texas.

5. Metis does have a "good faith claim" to operate the Crum (32489) Lease, Well No. 1, Bryson (Conglomerate) Field, Jack County, Texas.

IT IS THEREFORE ORDERED that the application of Metis Operating Co., LP 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 §§ 91.1041, 91.1042, 91.107, 91.114, 91.142 and TEX. ADMIN. CODE § 3.15, 3.58, and 3.78. If after 90 days after the order becomes final, Metis Operating Co., LP has not met the requirements of the listed provisions, this Order shall be VOID and the subject Form P-4 shall be marked as Unable to Process and archived.
It is further ORDERED by the Commission that this order shall be effective on January 23, 2018, when the Master Order relating to this Final Order is signed.

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

Done this 23rd day of January 2019, Austin, Texas.

Railroad Commission of Texas

(Order approved and signatures affixed by Hearings Division Unprotested Master Order dated January 23, 2019)