

RAILROAD COMMISSION OF TEXAS  
OFFICE OF GENERAL COUNSEL

HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0299956

Complaint of Roy W. Vaughn that Genesis Well Service (Op. No. 300210) Does Not Have a Good Faith Claim to Operate the City of Pearsall (13077) Lease, Well No. 1, Pearsall (Austin Chalk) Field, Frio County, Texas.

ORDER GRANTING MOTION FOR REHEARING  
FOR LIMITED PURPOSE

The Commission has considered on its merits the Motion for Rehearing filed by Genesis Well Service on June 28, 2016 and the Motion is hereby **GRANTED** for the limited purpose of amending the Final Order in the docket.

Signed this 9th day of August, 2016.

RAILROAD COMMISSION OF TEXAS

  
CHAIRMAN DAVID PORTER

  
COMMISSIONER CHRISTI CRADDICK

  
COMMISSIONER RYAN SITTON

ATTEST:

  
SECRETARY



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**AMENDED FINAL ORDER**

The Commission finds that after notice and an opportunity for hearing regarding the captioned matter, the Operator, Genesis Well Service (Operator No. 300210), has submitted written evidence rather than request a hearing. Genesis Well Service filed a Motion for Rehearing in this matter on June 28, 2016, which has been granted on this date for the limited purpose of issuing this Amended Final Order.

**FINDINGS OF FACT**

1. Genesis Well Service (Operator No. 300210) is the operator of record for the City of Pearsall (13077) Lease, Well No. 1, Pearsall (Austin Chalk) Field, Frio County, Texas.
2. By letter received at the Commission on March 17, 2016, Roy W. Vaughn complained that Genesis Well Service does not have a good faith claim to operate the captioned lease and well.
3. By letter dated March 24, 2016 Commission staff requested that Genesis Well Service 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 April 24, 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. Genesis Well Service timely filed a reply which was received at the Commission on April 25, 2016 (April 24, 2016 was a Sunday).
  - a. Genesis Well Service did not file evidence of its good faith claim to continue to operate the subject lease and well. Genesis Well Service did not request a hearing.

Thus, Genesis Well Service chose to rely on informal disposition of the docket Pursuant to Texas Gov't Code §§2001.056 and 2001.062(e).

- b. The Genesis Well Service response states, "Please find enclosed approved Form W-3A. We are in the process of getting bids to complete the plugging of this well."
  - c. The City of Pearsall (13077) Lease, Well No. 1 last reported production in March 2002 and has not reported any production since that time. Genesis Well Service became the operator of the City of Pearsall (13077) Lease by P-4 transfer effective August 1, 2012 with an approval date of August 23, 2012.
  - d. After becoming the Form P-4 operator of the City of Pearsall (13077) Lease, Well No. 1, Genesis Well Service sold 72 barrels of stock on hand from the lease tank battery, but did not produce any oil.
5. Genesis currently has an "Approved" plugging extension for Well No. 1 (API# 163-33042), City of Pearsall (13077) Lease, Frio County, Texas. The current plugging extension is not supported by a good faith claim to operate the well.
  6. The Complainant in this matter, Roy W. Vaughan, has signed a Commission Form P-13 (Application of Landowner to Condition an Abandoned Well for fresh Water Production) as has Respondent Genesis Well Service. The signed P-13 has been duly recorded in the county records.
    - a. The proposed Form P-13 plug-back depth of the well is 1400 feet.
    - b. A cast iron bridge plug was set at 4,950 feet, with a cap of 25 sacks of cement, creating a plug from 4,950 to 4,850.
    - c. District Office personnel witnessed the plugging of the well on July 4, 2016.
    - d. Drilling mud at 9.5 PPG was circulated between plugs.
    - e. The highest plug was calculated at 1700 feet to 1580 feet. The plug was tagged at 1410 feet.
    - f. The well was circulated with fresh water from +/- 1400 feet to surface.

#### **CONCLUSIONS OF LAW**

1. All things have occurred to give the Railroad Commission of Texas jurisdiction in this matter.
2. Genesis Well Service does not have a good faith claim to operate the City of Pearsall (13077) Lease, Well No.1, Pearsall (Austin Chalk) Field, Frio County, Texas.

- 3. The "Approved" plugging extension currently in effect for the City of Pearsall (13077) Lease, Well No. 1, Frio County, Texas, should be cancelled.

Accordingly, the Railroad Commission of Texas hereby **ORDERS** that the Genesis Well Service plugging extension for the City of Pearsall (13077) Lease, Well No. 1, Frio County, Texas be **CANCELLED** and the Railroad Commission of Texas hereby **ORDERS** that Genesis Well Service **PLUG** the City of Pearsall (13077) Lease, Well No.1, Pearsall (Austin Chalk) Field, Frio County, Texas from a depth of 4,950 feet to a depth of 1,410 feet.

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**.

Signed this 9th day of August, 2016.

RAILROAD COMMISSION OF TEXAS

*David Porter*  
 CHAIRMAN DAVID PORTER

*Christi Craddick*  
 COMMISSIONER CHRISTI CRADDICK

*Ryan Sitton*  
 COMMISSIONER RYAN SITTON

ATTEST:

*Kathy Way*  
 SECRETARY

