

EXHIBIT 7



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

November 29, 2016

George L. Guerra, Attorney at Law
Quest EMG, Inc.
c/o Wiand Guerra King P.L.
5505 West Gray Street
Tampa FL 33609
AND VIA EMAIL – bwiaand@wiandlaw.com

Paul Downey, CEO
Quest EMG, Inc.
c/o Wiand Guerra King P.L.
5505 West Gray Street
Tampa FL 33609

Paul Downey, CEO
Quest EMG, Inc.
64 South Jacobs Street
Albany TX 76430

RE: NOTICE AND OPPORTUNITY FOR HEARING
OIL & GAS DOCKET NOS. 7B-0302606, 7B-0302607, 7B-0302608, 7B-0302609, 7B-0302610, 7B-0302612, 7B-0302613, 7B-0302615, 7B-0302616, AND 7B-0302617:
COMPLAINT OF BYRON W. HATCHETT, ET AL. AGAINST QUEST EMG, INC.
(OPERATOR NO. 684615)

Mr. Downey:

You are respectfully advised that the above-referenced dockets have been assigned to me for review. For your records, I have included a copy of the complaint giving rise to this inquiry. The complaint alleges that Quest EMG, Inc. (Operator No. 631365), ("Quest"), lacks authority to operate the referenced properties. Please find a description of the complained of leases/wells attached to this letter as "Appendix A".

If the mineral lease(s) covering the subject acreage has terminated, then an inactive well on that acreage is no longer eligible for a plugging extension and the operator of record is required to plug the wellbore. Pursuant to Statewide Rule 15(h), the Commission or its delegate may revoke a plugging extension if the Commission determines, after notice and an

opportunity for a hearing, that the operator is ineligible for the extension under the Commission's rules.

Pursuant to Commission procedure, Quest is hereby notified that, on or before December 29, 2016, it must either: (1) file evidence with the undersigned Administrative Law Judge demonstrating that Quest holds a good faith claim to a continuing right to operate the referenced lease(s); or (2) request a hearing on the matter.

If Quest elects to submit evidence rather than request a hearing, please be advised that Statewide Rule 15(a)(5) defines "Good Faith Claim" 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.

Typically, such evidence includes a current and valid mineral lease covering the acreage in question.

QUEST'S DECISION TO SUBMIT EVIDENCE TO THE ADMINISTRATIVE LAW JUDGE OR ITS FAILURE TO TIMELY REQUEST A HEARING WILL CONSTITUTE WAIVER OF THE OPPORTUNITY TO REQUEST A HEARING regarding the determination of whether Quest holds a good faith claim to a continuing right to operate the above referenced lease. In such cases, the docket will be set for informal disposition pursuant to TEX. GOV'T CODE §§ 2001.056 and 2001.062(e).

Attempting to submit evidence and request a hearing will be construed as a request for a hearing and any accompanying submission will not be considered as evidence unless offered and admitted into the record at hearing. The parties, at the Administrative Law Judge's discretion, may be required to provide a court reporter for any resulting hearing.

If you have any questions, please contact Joseph Menefe at (512) 463-9298 or joseph.menefe@rrc.texas.gov.

Regards,



RYAN M. LAMMERT
Administrative Law Judge

cc:

Byron W. Hatchett, Attorney at Law
P.O. Box 3374
Abilene TX 79510

Appendix A

1. Oil & Gas Docket No. 7B-0302606: Hatchett Ranch (245550) Lease, Well No. 5, M. G. C. (Bend) Field, Callahan County, Texas;
2. Oil & Gas Docket No. 7B-0302607: Hatchett Ranch (106873) Lease, Well No. R 1, M. G. C. (Bend) Field, Callahan County, Texas;
3. Oil & Gas Docket No. 7B-0302608: Hatchett Ranch (109043) Lease, Well No. 2, M. G. C. (Bend) Field, Callahan County, Texas;
4. Oil & Gas Docket No. 7B-0302609: Hatchett Ranch (099045) Lease, Well No. S 4, M. G. C. (Bend) Field, Callahan County, Texas;
5. Oil & Gas Docket No. 7B-0302610: Hatchett Ranch (097886) Lease, Well No. S 2, M. G. C. (Bend) Field, Callahan County, Texas;
6. Oil & Gas Docket No. 7B-0302612: Hatchett Ranch (130071) Lease, Well No. S 3, M. G. C. (Bend) Field, Callahan County, Texas;
7. Oil & Gas Docket No. 7B-0302613: Hatchett Ranch (097887) Lease, Well No. S 1, M. G. C. (Bend) Field, Callahan County, Texas;
8. Oil & Gas Docket No. 7B-0302615: Hatchett Ranch (096944) Lease, Well No. R 2, M. G. C. (Bend) Field, Callahan County, Texas;
9. Oil & Gas Docket No. 7B-0302616: Hatchett Ranch (245555) Lease, Well No. 1, M. G. C. (Bend) Field, Callahan County, Texas; and
10. Oil & Gas Docket No. 7B-0302617: Hatchett Ranch (11653) Lease, M. G. C. (Bend) Field, Callahan County, Texas.

HATCHETT LAW FIRM

BYRON W. HATCHETT
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November 15, 2016

Hearings Division
P.O. Box 12967
Austin, Texas 78711-2967

2016 NOV 21 AM 8:42
DOCKET SERVICES
RAILROAD COMMISSION
OF TEXAS

FILED

RE: **Formal Complaint by Mineral Owner for Operator to Plug Wells**

Dear Hearing Board:

Statement of Facts

This formal complaint pertains to an oil and gas lease herein referred to as the Hatchett Ranch Lease. The oil and gas lease is located in Callahan County. The named operator of the lease is Quest Energy Management Group, Inc. The lease was signed by the mineral owners on April 15, 2011, and recorded in the Records of Callahan County Vol. 243 Page 103. This lease was a paid up bonus for a five year term. When Quest leased the property there were 7 gas wells that were producing and a salt water injection well that was operational.

Due to certain action taken by the Operator, Quest Energy Management Group, Inc., in the raising of investment funds, the Securities and Exchange Commission stepped in and took over operations. The Federal Magistrate then appointed a Receiver to take over and operate the lease. However, the Receiver did not produce the existing gas wells, nor did they do any of the requirements under the terms of the lease to perpetuate or extend the lease. The five year primary term of the oil and gas lease expired on April 15, 2016, as evidenced by the enclosed certified copy of the lease marked as Exhibit "A" and attached hereto.

The Mineral and Surface Owners, of which I am one, are concerned about the plugging of the existing well bores and the cleanup of hydrocarbon contaminations on the land. The Hatchett Ranch Lease is located in District 7B and the Lease numbers are as follows:

245550 Well No. 5
106873 Well No. R1
109043 Well No. 2
099045 Well No. S4
097886 Well No. S2
130071 Well No. S3

097887 Well No. S1

096944 Well No. R2

245555 Well No. 1

✓ 11653 Well No. 6

✓ 11653 Well No. 2

The Mineral Owners would like to see the old wells plugged, the spills cleaned and their minerals developed. I have made a request to the Receiver in charge of the Quest Energy Management Group for a release of the Hatchett Ranch Lease. This request has been denied. The explanation given is the lease is on the inventory list as an asset of the Quest Energy Management Group. They indicated their intention is to sell the Hatchett Ranch Lease and other holdings of Quest to recoup funds lost of the defrauded Quest investors. I have expressed my thoughts that it would be unwise to sell something that no longer exist.


Therefore, I am requesting that the Quest Energy Management Group be noticed to bring forth a **"good faith claim"** as to why they should still control the Hatchett Ranch Lease after the terms of the lease have expired. I would request the B14 plugging extensions be withdrawn and notice to plug be issued by the Commission.

I am a mineral owner and the other members of the Family would like to see the minerals developed. To accomplish this I have put together an investment group who is willing to lease the Hatchett Ranch. The other mineral owners have all agreed to sign a lease with our group. However, the investors and I feel it would be unwise to proceed without a release from the prior operator. In the event we were to obtain the Hatchett Ranch Lease it is not our desire to take over the P-4s of the prior operator. The expiration of the primary term does not exhaust the obligations of the prior operator for the plugging and cleanup of the damages. It is our intention to do new drills as part of our development.

I am therefore requesting, notice to be sent to the operator to show "a good faith claim" and a hearing be set. If a "no good faith claim" is found, then the withdraw of the B 14 extensions to plug the wells and a deadline set for completion of their plugging liability.

If you should have any other questions or need additional information please do not hesitate to contact me.

Very Truly yours,


Byron W. Hatchett

BWH/rr
Enclosures