

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

**UNITED STATES SECURITIES AND
EXCHANGE COMMISSION,**

Plaintiff,

v.

**THE HEARTLAND GROUP
VENTURES, LLC, *et al.*,**

Defendants.

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Civil Action No. 4:21-cv-01310-O-BP

**AMENDED FINDINGS, CONCLUSIONS, AND RECOMMENDATION
OF THE UNITED STATES MAGISTRATE JUDGE**

Before the Court are the Receiver’s “Motion to Confirm Receiver Has No Right, Obligation, or Interest to Operate the Palo Pinto Pipeline, or, In the Alternative, to Abandon Any Interest in the Palo Pinto Pipeline” (“Pipeline Motion”) (ECF No. 288), a Brief Amicus Curiae in Opposition to Receiver’s Motion to Abandon the Palo Pinto Pipeline filed by the Railroad Commission of Texas (“RRC” or “Commission”) with Brief/Memorandum in Support (ECF Nos. 298, 300), and the Receiver’s Reply to the Amicus Brief with supplemental documents (ECF Nos. 306, 307).

Also before the Court are the Receiver’s Motion and Authority to Abandon Interests in Oil and Gas Properties with Brief/Memorandum in Support (“O&G Motion”) (ECF No. 296), the RRC’s “Brief Supplemental Amicus Curiae in Opposition to [the] Receivers Motion To Abandon Interests In Oil And Gas Properties” (ECF Nos. 351, 359), and the Receiver’s Reply and Supplemental Documents (ECF Nos. 353, 354). After reviewing the pleadings and applicable legal authorities and considering the arguments of counsel at the hearings on February 9 and May 4, 2023, concerning the Motions, the undersigned recommends that United States District Judge Reed

O'Connor **GRANT** the Pipeline and the O&G Motions (collectively “the Motions”). ECF Nos. 288, 296, respectively.

I. BACKGROUND

On December 1, 2021, the Securities and Exchange Commission (“SEC”), filed its Emergency Motion for a Temporary Restraining Order and Emergency Ancillary Relief, which included an application for the appointment of a Receiver for the Receivership Parties. ECF No. 3. On December 2, 2021, the Court entered its Order Appointing Deborah D. Williamson as the Receiver over the Receivership Estate. ECF No. 17 at 2.

As of December 16, 2022, the Receivership Estate included 403 oil and gas wells and gathering and transportation systems used in connection with specific mineral leases (“the Oil and Gas Properties”). ECF No. 296 at 3. Various entities related to The Heartland Group Ventures, LLC (“Heartland”) own certain interests in some or all of the Oil and Gas Properties, directly or indirectly. The “Receivership Entities” include Heartland; The Heartland Group Ventures, LLC, these entities (collectively referred to as the “Receivership Entities, including Heartland Production and Recovery, LLC; Heartland Production and Recovery Fund LLC; Heartland Production and Recovery Fund II LLC; The Heartland Group Fund III, LLC; Heartland Drilling Fund I, LP; Carson Oil Field Development Fund II, LP; ArcoOil Corp; Barron Petroleum LLC; Dodson Prairie Oil and Gas (“Dodson Prairie”); Panther City Energy LLC; and Leading Edge Energy, LLC. *Id.* At the hearing on May 4, 2023, the Receiver informed the Court that approximately 336 of the wells in the Oil and Gas Properties are no longer producing. ECF No. 360.

The natural gas gathering system generally identified as the C.B. “A” Long, 1, 4,” System Id. No. 967677 (the “Palo Pinto Pipeline”), consists of approximately 110 miles of gathering and

transportation lines. ECF No. 300 at 3. The RRC asserts that the pipeline “may have been conveyed to a party in the Receivership Estates.” ECF No. 300 at 3. According to RRC rules, “each operator of a pipeline or gathering system . . . subject to the jurisdiction of the [RRC], shall obtain a pipeline permit, to be renewed annually, from the [RRC].” 16 Tex. Admin. Code § 3.70(a). Such a permit is known as a T-4 permit. ECF No. 300 at 3. The RRC acknowledges that “no receivership party registered with the [RRC] for a T-4 permit.” *Id.* The Receiver contends that Dodson Prairie did not possess a T-4 permit to operate the Palo Pinto Pipeline or any other pipeline and that the Palo Pinto Pipeline was not part of the Receivership Estate. ECF No. 288 at 4. The evidence offered at the hearing on the Motions on February 9, 2023 supports this conclusion.

The Receiver asks the Court to confirm that she has no right, obligation, or interest to operate the Palo Pinto Pipeline, or, in the alternative, allow her to abandon any interest in it. ECF No. 288. The Receiver also seeks to abandon any oil and gas wells, along with the applicable well equipment, where the RRC has not already approved her request to transfer the interests in the wells through a Form P-4 or the wells have not been sold. ECF No 296. This request does not include the wells included in the Val Verde and Crockett County leases. ECF Nos. 296 at 4, 360. The RRC has filed amicus briefs in opposition to the Receiver’s requests. ECF Nos. 300, 359.

II. LEGAL STANDARD

“A receiver appointed in any civil action involving property (real, personal, or mixed) [] gains complete jurisdiction, control, and a right to take possession over any such property.” *S.E.C. v. Harris*, No. 3:09-cv-1809-B, 2016 WL 1555773, at *8 (N.D. Tex. Apr. 18, 2016) (citing *In the Matter of H.L.S. Energy Co., Inc.*, 151 F.3d 434, 438 (5th Cir. 1998)); 28 U.S.C. § 754. But upon taking possession of property, the receiver shoulders the burden of managing and operating the property “according to the requirements of the valid laws of the State in which such property

is situated, in the same manner that the owner or possessor thereof would be bound to do if in possession thereof.” 28 U.S.C. § 959(b); *Harris*, 2016 WL 1555773 at *8.

“The Court may authorize a Receiver to abandon property pursuant to its broad equitable powers.” *Quilling v. Trade Partners, Inc.*, No. 1:03-CV-0236, 2011 WL 4973870, at *2 (W.D. Mich. Sept. 30, 2011). A court imposing a receivership assumes custody and control of all assets and property of the subject entity and may issue all orders necessary for the proper administration of the receivership estate. *Id.* (citing *S.E.C. v. Wencke*, 622 F.2d 1363, 1370 (9th Cir. 1980); *Eller Indus., Inc. v. Indian Motorcycle Mfg., Inc.*, 929 F. Supp. 369, 372 (D. Colo. 1995)). The Receiver may not abandon the receivership property without first requesting leave of the court. *Id.*; *Branch Banking & Tr. Co. v. Gerner & Kearns Co., L.P.A.*, No. CV 19-161-DLB-CJS, 2021 WL 5414319, at *1 (E.D. Ky. Sept. 16, 2021), *rec. adopted*, 2021 WL 5414324 (E.D. Ky. Sept. 28, 2021).

III. ANALYSIS

A. There is limited authority regarding a Receiver’s ability to abandon property.

Few federal courts have considered receivers’ equitable power to abandon receivership property, “probably because federal bankruptcy procedures have, in great part, supplanted federal equity receiverships.” *See Janvey v. Alguire*, No. 3:09-cv-0724-N, 2014 WL 12654910, at *3 (N.D. Tex. July 30, 2014), *aff’d*, 847 F.3d 231 (5th Cir. 2017) (citing 12 Charles Alan Wright & Arthur R. Miller, *Federal Practice & Procedure* § 2981 (2d ed. 1987) (“Wright & Miller”) (holding that “the scope of federal equity receivership in this country has diminished sharply as the scope of bankruptcy practice and other statutory receiverships have enlarged”)).

Federal court receiverships first became widely used in the late 1800s and early 1900s to oversee railroad reorganization. *Id.* (citing Kevin Moore, *The SEC’s Role in American Corporate Reorganization: A Historical Analysis*, 2011 Ann. Surv. Of Bankr. Law 6, Part I.A.1-2 (2011)).

However, additions in 1933 and 1934 to the Bankruptcy Act of 1898 caused bankruptcy practice to become a more common source of control. *Id.* (citing Wright & Miller § 2981). Despite this overall change, the SEC and federal courts in recent years “have [] rel[ied] upon federal equity receiverships in SEC enforcement actions.” *Id.* (citing 12 Wright & Miller § 2981; G. Ray Warner & Keith Sharfman, *The SEC in Bankruptcy*, 18 Am. Bankr. Inst. L. Rev. 569, 569 (2010) (“[T]he SEC’s involvement in bankruptcy has intensified in recent years with the ascendancy of equity committees and with the increased use of receiverships and corporate monitors in Ponzi scheme and other cases both inside and outside of chapter 11”). The resurgence of receiverships means that receivership jurisprudence is still developing. *Id.*

Thus, much of the “caselaw on federal equity receivers [] is quite old.” *Id.* Bankruptcy courts, however, have visited many of the common law principles and rules that apply to both equity receiverships and bankruptcies. *Id.* Accordingly, the Court relies on the much larger body of bankruptcy caselaw, while noting any relevant differences with the receivership questions at issue here that could affect the outcome. *Id.*; *see also S.E.C. v. Temme*, No. 4:11-CV-00655-ALM, 2019 WL 13077501, at *4 (E.D. Tex. Oct. 2, 2019) (noting that federal courts commonly look to bankruptcy law in equity receivership proceedings, especially when authority governing federal equity receiverships is sparse or non-existent).

B. The Receiver can abandon the Palo Pinto Pipeline and the oil and gas wells.

Federal receivers must “comply with state law and cannot abandon property if doing so would violate it.” *Harris*, 2016 WL 1555773 at *8 (citing *H.L.S. Energy Co.*, 151 F.3d at 438 (holding that a bankruptcy trustee may not abandon property in contravention of a state law reasonably designed to protect public health or safety)); *see also Midlantic Nat’l Bank v. New Jersey Dep’t of Env’tl. Protection*, 474 U.S. 494, 507 (1986) (a trustee may not abandon property

in contravention of a state statute or regulation that is reasonably designed to protect the public health or safety from identified hazards).

However, in footnote nine in *Midlantic*, the Supreme Court stated that this prohibition on abandonment is a narrow one and “is not to be fettered by laws or regulations not reasonably calculated to protect the public health or safety from imminent and identifiable harm.” *Midlantic*, 474 U.S. at 507 n.9; see also *Matter of Commonwealth Oil Ref. Co., Inc.*, 805 F.2d 1175, 1185 (5th Cir. 1986). Thus, most courts following the footnote in *Midlantic* have held that a trustee may abandon a property if it does not constitute an imminent and identifiable harm to the public. *Commonwealth*, 805 F.2d at 1185 (holding that the Court in *Midlantic* limited a trustee’s abandonment power to the “imminent and identifiable harm” standard); see also *In re Smith-Douglass, Inc.*, 856 F.2d 12, 16 (4th Cir. 1988) (holding that full compliance with all environmental laws is not required prior to abandonment, but abandonment is not authorized when there is an immediate threat to the public health and safety and an imminent danger of death or illness); *N.M. Env’t Dep’t v. Foulston (In re L.F. Jennings)*, 4 F.3d 887, 890 (10th Cir.1993); *In re Nat’l Gypsum Co.*, 139 B.R. 397, 413 (N.D. Tex. 1992); *In re Shore Co., Inc.*, 134 B.R. 572, 578 (Bankr. E.D. Tex. 1991).

“[T]he party opposing abandonment under *Midlantic* has the burden to prove that [] the property [in question] creates an imminent and identifiable harm to the public which will be aggravated by the abandonment.” *In re St. Lawrence Corp.*, 239 B.R. 720, 726-27 (Bankr. D.N.J. 1999), *aff’d*, 248 B.R. 734 (D.N.J. 2000) (citing *In re Smith-Douglass*, 856 F.2d at 16 (absence of any enforcement action by the state environmental protection agency indicated that there was no threat of immediate harm); *In re L.F. Jennings Oil*, 4 F.3d at 890-91 (“absence of the subject property from the state’s list of contaminated sites and the existence of insufficient data by the

state's own expert to opine that there was a present threat led to the [Court's] conclusion that the property did not pose an immediate threat to public health or safety”); *In re Howard*, 533 B.R. 532, 547 (Bankr. S.D. Miss. 2015) (holding that the debtor had the burden of proving that the condition of the property created an imminent and identifiable harm to the public).

Courts have conducted a case-by-case analysis to determine what conditions constitute an imminent and identifiable harm. *In re FCX, Inc.*, 96 B.R. 49, 55 (Bankr. E.D.N.C. 1989) (holding that burial of five tons of pesticides in uncontrolled condition presents an immediate threat to health of those living in area); *In re Conroy*, 153 B.R. 686, 690 (W.D. Pa. 1993), *aff'd sub nom. Com. of Pa., Dep't of Env't Res. v. Conroy*, 24 F.3d 568 (3d Cir. 1994) (abandoning printing business with drums and cans in various stages of deterioration, including a leaking can, near a residential area and served by public water was an imminent danger to public health); *compare In re Howard*, 533 B.R. at 549 (holding that no known harm occurred to public from property for fifteen years, thus any contamination that may exist on the property not an imminent public threat); *In re Mahoney-Troast Const. Co.*, 189 B.R. 57, 61 (Bankr. D.N.J. 1995) (abandoning oil tanks in excellent condition and not apparently leaking did not pose an imminent threat to public health); *In re Anthony Ferrante & Sons, Inc.*, 119 B.R. 45, 50 (D.N.J. 1990) (holding that abandoning public water supply system not an imminent and identifiable harm because no increased public threat from already contaminated water and public already notified of threat); *In re Oklahoma Ref. Co.*, 63 B.R. 562, 563 (Bankr. W.D. Okla. 1986) (holding that fear of eventual problem at indeterminate time in future not enough for imminent public harm).

Many Courts have required evidence to show that abandoning the property is harmful to public health to meet the imminent and identifiable harm burden. *See In re Shore Co*, 134 B.R. at 578-79 (holding that though Court was convinced that oil refinery probably contained some

hazardous substances and violated Texas law, EPA presented no evidence of extent of environmental hazards present); *In re Guterl Special Steel Corp.*, 316 B.R. 843, 859 (Bankr. W.D. Pa. 2004) (permitting abandonment in absence of persuasive evidence of radioactive contamination at the site posing imminent threat to public health and safety); *In re St. Lawrence*, 248 B.R. at 742 (holding that evidence did not show risk of imminent and identifiable harm to public health and safety).

1. Palo Pinto Pipeline

The Receiver alleges that she is not the operator of the Palo Pinto Pipeline and, therefore, seeks an order finding that she has no right, interest, or obligation to operate it as part of the Receivership Estate. ECF No. 288 at 2. Alternatively, the Receiver asks to abandon all interests, without limitations, in the pipeline. *Id.* The RRC responds that the Receiver's denial that she is the "operator" of the Palo Pinto Pipeline is not before the Court as only the RRC can make that decision. ECF No. 300 at 4. Accordingly, the RRC argues that the Court must refrain from finding that the Receiver has no rights, obligations, or interest in the pipeline as any finding under Commission rules would be an impermissible advisory opinion. *Id.* However, the RRC agrees that the Court may authorize the abandonment of receivership assets pursuant to its general equity powers and the receivership order entered in this case. *Id.* at 5. The RRC requests that if the Court approves the Receiver's abandonment of the Palo Pinto Pipeline, that the Receiver do so in compliance with all applicable state laws and regulations. *Id.* at 5.

The Court need not decide whether it has the authority to issue a ruling stating that the Receiver has no obligations, rights, or interest in the pipeline or whether the Receiver is the operator of the pipeline as the Receiver may abandon the Palo Pinto Pipeline regardless of her

status as an operator under Texas law. The issue to determine is whether abandoning the pipeline would result in imminent and identifiable harm to the public under *Midlantic*. 474 U.S. at 507 n.9

The RRC states that *Midlantic* does not apply to this case, or receiverships in general, because the “case involved a different statute that governs abandonment of property in a bankruptcy estate.” ECF No. 300 at 6. Additionally, it argues that *Midlantic*’s abandonment analysis is limited to bankruptcy trustees, and the Court must apply the broader rule stated in 28 U.S.C. § 959(b) when determining if the Receiver may abandon the pipeline. *Id.* In essence, the RRC urges the Court to require the Receiver to abandon the pipeline in accordance with state’s pipeline abandonment laws, even if the abandonment would not result in imminent and identifiable harm to the public. *Id.* at 6-7. The Court should decline to do so.

While the RRC is correct that *Midlantic* involved a specific bankruptcy abandonment statute, the Court’s analysis and reasoning is more broadly applicable. The Court’s decision to limit the abandonment of certain property in the bankruptcy context stems from the fact that “where the Bankruptcy Code has conferred special powers upon the trustee and where there was no common-law limitation on that power, Congress has expressly provided that the efforts of the trustee to marshal and distribute the assets of the estate must yield to governmental interest in public health and safety.” *Midlantic*, 474 U.S. at 502.

To reach this decision the Supreme Court relied on the historical limits of a trustee’s abandonment power, analogizing to the statutory exceptions to the automatic stay, and citing congressional intent, as evidenced by 28 U.S.C. § 959(b) and various environmental laws. Based on this analysis, the Court held that “a trustee may not abandon property in contravention of a state statute or regulation that is reasonably designed to protect the public health or safety from identified hazards.” *Midlantic*, 474 U.S. at 507. And while *Midlantic* dealt with a specific

bankruptcy abandonment statute, subsequent bankruptcy courts have relied on the case and § 959(b) to limit abandonments generally. *See, e.g., In re Am. Coastal Energy Inc.*, 399 B.R. 805, 810 (Bankr. S.D. Tex. 2009); *Matter of Scott Hous. Sys., Inc.*, 91 B.R. 190, 196 (Bankr. S.D. Ga. 1988); *In re Stevens*, 68 B.R. 774, 783 (D. Me. 1987).

Like bankruptcy trustees, receivers serving under § 959(b) “operate property in accordance with the valid laws of the State in which the property is situated, in the same manner that its owner or possessor thereof would be bound to do if in possession thereof.” 28 U.S.C. § 959(b). However, the Court must read the limitations on a receivership’s powers to abandon property with the Court’s requirement in *Midlantic* that those limitations apply only when there is evidence of “imminent and identifiable harm” to “public health or safety.” *Midlantic*, 474 U.S. at 502; *see also S.E.C. v. Wealth Mgmt. LLC*, 628 F.3d 323, 334 n.7 (7th Cir. 2010) (holding that § 959(b) requires a liquidating receiver to comply with state laws regulating public health, safety, and welfare when liquidating receivership property). The Court should conclude that the abandonment principles that the Court applied in *Midlantic* apply equally in the context of receiverships, such as the one here.

Next, the RRC argues that if the Court does find that *Midlantic* applies to this case, the Court must order the Receiver to abandon the pipeline in a way that complies with state laws and regulations. ECF No. 300 at 6-7. It also states that RRC regulations are reasonably designed to protect public safety since an improperly purged and sealed pipeline may cause fatal explosions. *Id.* at 7. To prove its point, the RRC cited to two articles, published in Colorado and Ohio, that recounted that an unsealed pipeline exploded. *Id.* However, as shown above, belief that something bad may happen at an indeterminate time in the future is not enough to show an imminent harm to the public. *In re Oklahoma Ref. Co.*, 63 B.R. at 563. Moreover, the only violations cited by the RRC at the Executive Closing of the Palo Pinto Pipeline on September 2, 2022, related to improper

signage, a lack of records, and the lack of written records. ECF No. 307 at 26-29. These violations do not evidence violations that constitute an imminent and identifiable harm to public health or safety. ECF No. 307 at 26-29.

Thus, assuming without deciding that the Receiver has a legal obligation regarding operation of the Palo Pinto Pipeline, in the absence of any evidence showing that abandoning the pipeline will cause an imminent and identifiable harm to the public, the Court should permit the Receiver to abandon the Palo Pinto Pipeline. *See In re Shore Co*, 134 B.R. at 578-79; *In re Guterl Special Steel*, 316 B.R. at 859; *In re St. Lawrence*, 248 B.R. at 742.

2. Oil and Gas Wells

The Receivership Estate includes 336 wells that have remained unplugged for over a year after they stopped producing. ECF No. 360. The Receiver argues that the majority of these wells should have been plugged and abandoned in accordance with the applicable state law months, if not years, prior to her appointment and, therefore, she is not liable for plugging them. ECF No. 353 at 8.

Under Texas law, the owner of an operating interest in a well must plug the well if it has remained unproductive for a year. *H.L.S. Energy*, 151 F.3d at 438; *see also* 16 Tex. Admin. Code § 3.9 (1998) (Tex. R. R. Comm'n, Plugging). Operators must commence plugging within a year of the cessation of production. *See* Tex. Nat. Res. Code Ann. § 89.011; 16 Tex. Admin. Code E § 3.9. Accordingly, after the passage of one year, a receiver who is an operator and has not plugged a nonproducing well is violation of the Texas Administrative Code. *See* 16 Tex. Admin. Code E § 3.9; *H.L.S. Energy*, 151 F.3d at 438.

The Fifth Circuit has not determined the extent of pre-petition liabilities in a bankruptcy case. *In re Grimland, Inc.*, 243 F.3d 228, 232 n.5 (5th Cir. 2001) (open question on whether post-

petition expenses for remediation of pre-petition environmental liabilities are administrative expenses). However, the Southern District of Texas has held that a debtor's obligation to expend funds to bring the estate into compliance with a state health and safety law is not contingent upon whether the obligation arose before or after the bankruptcy filing. *In re Am. Coastal Energy Inc.*, 399 B.R. at 811. In that case, Texas law imposed a continuing duty to plug the wells at issue. *Id.* “That continuing state-law-health-and-safety duty makes the plugging obligation a post-petition obligation that has pre-petition antecedents.” *Id.* Accordingly, with respect to these environmental liabilities, “whether the liability arose pre-petition or post-petition produces an analysis that is superficial.” *Id.* The analysis must focus not on just when the obligation arose, but “whether the obligation continues to arise anew with the passage of each day.” *Id.*; *In re Northstar Offshore Grp., LLC*, 628 B.R. 286, 302 (Bankr. S.D. Tex. 2020); *see generally In re Nat'l Gypsum Co.*, 139 B.R. at 413 (holding that costs incurred post-petition resulting from pre-petition conduct entitled to administrative priority if caused by conditions that posed an imminent and identifiable harm to the environment and public health). This reasoning is persuasive, and the same analysis and obligations of a debtor in bankruptcy logically should apply to the Receiver in this case. Therefore, regardless of when the violations occurred, the Receiver undertook ongoing obligations to comply with the applicable state law and plug the wells once she became an operator of them.

Nonetheless, the Receiver asserts that regardless of her duty to comply with state law, the Court should permit her to abandon the wells because she already has addressed all known environmental that the RRC raised, and abandonment would not result in an imminent and identifiable harm to the public. ECF No. 366 at 10. The evidence that the Receiver offered at the hearing in this matter supports her argument that the oil and gas wells at issue do not present a present, imminent harm to public health and safety or the environment. The evidence shows that

the Receiver emptied associated tanks presenting risks based on equipment conditions to avoid potential spills, removed vegetation to mitigate fire hazard to tank batteries and production equipment as directed by RRC enforcement action settlements, reviewed all gas gathering systems and pipelines to ensure line pressure was not an immediate environmental threat, repaired flowlines, and ensured well pressure was controlled to mitigate environmental risks. ECF Nos. 296 at 15; 355-1 at 7. As noted in her brief, the only actions that the Receiver has not taken are those addressing conditions and requirements that do not pose a risk to public safety. ECF No. 296 at 4.

In response, the RRC has not stated how abandoning the oil and gas wells would result in imminent and identifiable harm to public health or safety. ECF No. 359. Moreover, it has not offered any evidence of such a present and identifiable harm. *Id.* Thus, the RRC has not met its burden in showing the Court that abandoning the oil and gas wells would result in an imminent and identifiable harm to public health. *In re Shore Co*, 134 B.R. at 578-79; *In re Guterl Special Steel*, 316 B.R. at 859; *In re St. Lawrence*, 248 B.R. at 742. While the Court recognizes that abandoning unplugged oil and gas wells may create future environmental hazards, this belief and fear of a future problem does not present evidence of an imminent harm to the public. *See In re Oklahoma*, 64 B.R. at 563. Thus, there is no imminent or identifiable harm from abandoning the wells.

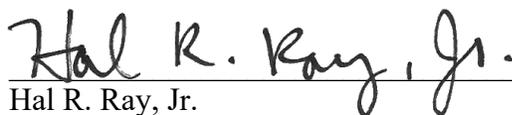
IV. CONCLUSION

Because the evidence does not show that abandoning the Palo Pinto Pipeline and the Oil and Gas Properties would result in an imminent and identifiable harm to public health or safety, the undersigned **RECOMMENDS** that Judge O'Connor **GRANT** the Receiver's Pipeline Motion (ECF No. 288) and O&G Motion (ECF No. 296). The Court should authorize the Receiver to

immediately abandon (1) the interests of any Receivership Party in the Palo Pinto Pipeline and any right to operate that pipeline; and (2) the Oil and Gas Properties at issue.

A copy of these findings, conclusions, and recommendation shall be served on all parties in the manner provided by law. Any party who objects to any part of these findings, conclusions, and recommendation must file specific written objections within fourteen days after being served with a copy. *See* 28 U.S.C. § 636(b)(1); Fed. R. Civ. P. 72(b)(2). To be specific, an objection must identify the particular finding or recommendation to which objection is made, state the basis for the objection, and specify the place in the magistrate judge's findings, conclusions, and recommendation where the disputed determination is found. An objection that merely incorporates by reference or refers to the briefing before the magistrate judge is not specific. Failure to file specific written objections will bar the aggrieved party from appealing the factual findings and legal conclusions of the magistrate judge that are accepted or adopted by the district court, except upon grounds of plain error. *See Douglass v. United Servs. Auto. Ass'n*, 79 F.3d 1415, 1417 (5th Cir. 1996) (en banc).

SIGNED on August 15, 2023.



Hal R. Ray, Jr.
UNITED STATES MAGISTRATE JUDGE