



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

June 14, 2013

XOG OPERATING LLC
PO BOX 352
MIDLAND TX 79702

XOG OPERATING LLC
1801 W TEXAS
MIDLAND TX 79701

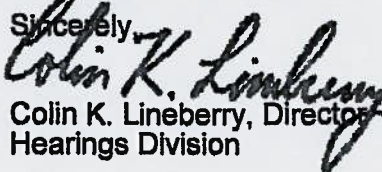
Re: **OIL & GAS DOCKET NO. 20-0282613; IN RE: P-5 ORGANIZATION REPORT OF XOG OPERATING LLC (OPERATOR NO. 945921); RULE 15 INACTIVE WELL MASTER ORDER/FINAL ORDER**

To the Parties:

The Railroad Commission of Texas has acted upon the above-referenced case. Please refer to the attached Final Order for the terms and date of such action.

This order will not be final and effective until at least 23 days after the date of this letter. If a Motion for Rehearing is timely filed, this order will not be final and effective until such Motion is overruled. A Motion for Rehearing should state the reasons you believe a rehearing should be granted, including any errors that you believe exist in the Commission's order. If the Motion is granted, the order will be set aside and the case will be subject to further action by the Commission at that time or at a later date.

To be timely, a Motion for Rehearing must be received by the Commission's Docket Services (see letterhead address) no later than 5:00 p.m. on the 20th day after you are notified of the entry of this order. You will be presumed to have been notified of this order three days after the date of this letter. This deadline cannot be extended because it is set by law. Fax transmissions will not be accepted without prior approval from the hearings examiner. **ORIGINAL PLUS THIRTEEN** copies of the Motion for Rehearing shall be submitted to the hearings examiner. **PLEASE DO NOT STAPLE COPIES.** One copy must be sent to each party. In addition, if practicable, parties are requested to provide the examiners with a copy of the Motion for Rehearing in digital format. The digital format should be labeled with the docket number, the title of the document, and the format of the document.

Sincerely,

Colin K. Lineberry, Director
Hearings Division

CKL/clc

Attachment

cc: Gil Bujano - RRC, Austin
Ramon Fernandez - RRC, Austin
Tim Poe - RRC, Austin
Mary Castro - RRC, Austin
Compliance Analyst - 04
Compliance Analyst - 7C

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0282613

IN RE: P-5 ORGANIZATION REPORT OF XOG OPERATING LLC

FINAL ORDER

The Commission finds that after notice and an opportunity for hearing regarding the captioned matter, the Operator failed to request a hearing and pay the hearing fee as required by 16 TEX. ADMIN. CODE §3.15(g)(4) and TEX. NAT. RES. CODE §89.022(f). This matter 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 fact and conclusions of law.

FINDINGS OF FACT

1. XOG Operating LLC [Operator #945921] (the "Operator"), is the record operator or one or more inactive wells in the State of Texas and is required to file Organization Report (Form P-5) with the Commission. Operator's most recent P-5 was due on or before January 1, 2012.
2. After filing its most recent Organization Report (Form P-5) with the Commission, the Operator was notified they were deficient and had failed to comply with the requirements of 16 TEX. ADMIN. CODE § 3.15 (Surface Equipment Removal Requirements and Inactive Wells) and provided with a written statement of the reasons for the determination and allowed ninety (90) days from the date its P-5 was due to comply with the requirements of 16 TEX. ADMIN. CODE § 3.15 and TEX. NAT. RES. CODE §§89.021 - 89.030.
3. After the expiration of ninety (90) days and pursuant to 16 TEX. ADMIN CODE §3.15(g)(4), an authorized Commission employee determined that the Operator's Organization Report still could not be renewed because the Operator continued to fail to comply with the requirements of 16 TEX. ADMIN. CODE §3.15 (Surface Equipment Removal Requirements and Inactive Wells).
4. The Commission sent the Operator a letter by certified mail giving notice to the Operator of the determination of continued non-compliance regarding specified inactive wells, attached as Exhibit A to this order, and advising the Operator of the right to request a hearing to show compliance. The letter notified the Operator that the hearing request must be received in docket services no later than 30 days after the date of the letter. The letter also notified the Operator that a final order denying renewal of the Operator's Organization Report (Form P-5) would result in the cancellation of all P-4 Certificates of Compliance and the severance of all pipeline or other carrier connections.

5. All notices and letters from the Commission to the Operator on this matter were addressed and mailed to the Operator's most recently reported address on the Form P-5 Organization Report.
6. The Operator did not timely request a hearing and pay the hearing fee on these issues as required under 16 TEX. ADMIN. CODE §3.15(g)(4) (Surface Equipment Removal Requirements and Inactive Wells).
7. Statewide Rule 15 (16 TEX. ADMIN. CODE §3.15) is a Commission rule that relates to safety or the prevention or control of pollution.

CONCLUSIONS OF LAW

1. The Operator received proper notice and an opportunity for hearing regarding compliance with 16 Tex. Admin. Code §3.15 and Tex. Nat. Res. Code §§89.021 - 89.030.
2. All things necessary to the Commission attaining jurisdiction over the subject matter and the parties in this matter have been performed or have occurred.
3. The Operator is in violation of Commission Statewide Rule 15 and did not timely request a hearing to contest the determination that it was in violation.
4. The Operator's P-5 Organization Report should not be renewed and all of the Operator's P-4 Certificates of Compliance should be cancelled, with all related pipeline or other carrier connections severed. 16 Tex. Admin. Code §3.15 (g)(4) and Tex. Nat. Res. Code §§89.022(f), 91.704 - 91.706.
5. The Operator's P-5 Organization Report cannot be renewed until the operator brings the inactive wells shown on the attached Exhibit A into compliance with the requirements of 16 Tex. Admin. Code §3.15 and Tex. Nat. Res. Code §§89.021 - 89.030.

IT IS ORDERED that renewal of XOG Operating LLC's P-5 Organization Report is hereby **DENIED**.

It is further ORDERED that all P-4 Certificates of Compliance issued to XOG Operating LLC as operator of record are hereby **CANCELLED** and all related pipeline or other carrier connections are hereby **SEVERED**.

It is further ORDERED that XOG Operating LLC shall bring the wells on Exhibit A into compliance with Statewide Rule 15 (16 TEX. ADMIN. CODE §3.15) and that the Operator's P-5 Organization Report shall not be renewed until the wells on Exhibit A have been brought into compliance as required by this order.

It is further ORDERED that XOG Operating LLC and each person who held a position of ownership or control in the Operator at the time the Operator's most-recent P-5 Organization Report was filed shall be subject to the terms of TEX. NAT. RES. CODE §91.114.

It is further ORDERED by the Commission that this order shall not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing 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 parties are notified of the order.

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**.

RAILROAD COMMISSION OF TEXAS

(Signatures affixed by Rule 15 Inactive Well
Master Order dated June 13, 2013.)

API Number	District	ID Number	Lease Name	Well Number
355 33647	04	228910	GRADY, V. B.	5
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
461 00025	7C	00841	RICKER	1
Electricity must be disconnected (certify on Form W-3C)				
461 01546	7C	132409	RICKER B	4
Must resolve Field Operations H-15 failure preventing 14(B)(2) approval				

Docket No. 20-0282613

Exhibit A

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**HEARINGS DIVISION'S
RULE 15 INACTIVE WELL MASTER ORDER**

JUNE 13, 2013

At a public conference held at its offices in Austin, Texas, the Commission finds that following notice and opportunity for hearing, the Operators listed below failed to timely request a hearing to contest the Staff determinations that they had not complied with inactive well requirements and that, as a result their P-5 Organization Reports were not eligible for renewal. The Final Orders for each of the below referenced dockets are incorporated by reference into this order, and by signing this Master Order, the Commission approves each of the Final Orders and adopts the provisions contained therein.

IT IS ORDERED that renewal of the P-5 Organization Report for each Operator identified on this Master Order is hereby DENIED.

It is further ORDERED that each Operator shall bring the inactive wells identified on its individual order, into compliance with Statewide Rule 15 (16 TEX. ADMIN. CODE § 3.15) and that the Operator's P-5 Organization Report shall not be renewed until those wells have been brought into compliance.

It is further ORDERED that each Operator and each person who held a position of ownership or control in the Operator at the time the Operator's most-recent P-5 Organization Report was filed shall be subject to the terms of TEX. NAT. RES. CODE §§91.114.

ITEM NO.	DOCKET NO.	OPERATOR NAME	OPERATOR NO.	RENEWAL DATE
37	20-0281956	Energas Corp.	251866	September 1, 2012
38	20-0281781	Argent Petroleum Corporation	029720	September 1, 2012
39	20-0281782	Blackburn, Ruth B	073063	September 1, 2012
40	20-0281785	Carpco Efficient Energy Co., LLC	133490	September 1, 2012
41	20-0281786	Chisholm Oil & Gas, LC	149453	September 1, 2012
42	20-0281788	Cleveland Oil & Gas	160453	September 1, 2012
43	20-0281789	Coley, Thomas	167321	September 1, 2012
44	20-0281791	D & L Operating Co.	196477	September 1, 2012
45	20-0281793	DSB Energy, LLC	229365	September 1, 2012
46	20-0281794	DTE Gas Resources, LLC	235802	September 1, 2012

HEARINGS DIVISION
 RULE 15 INACTIVE WELL MASTER ORDER
 JUNE 13, 2013 CONFERENCE
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ITEM NO.	DOCKET NO.	OPERATOR NAME	OPERATOR NO.	RENEWAL DATE
47	20-0281796	El Jefe Oil & Gas	250185	September 1, 2012
48	20-0281797	Fambrough, Tim D.	261260	September 1, 2012
49	20-0281799	Forbes, C. C. Company	275603	September 1, 2012
50	20-0281801	Golden, Marty Joe	312774	September 1, 2012
51	20-0281802	Great Texas Crude Inc.	328774	September 1, 2012
52	20-0281803	Hays, John H.	369100	September 1, 2012
53	20-0281804	HCE Operating LLC	369827	September 1, 2012
54	20-0281806	Holli-Tex Supply Co.	393278	September 1, 2012
55	20-0281807	Knutson Oil & Gas	474450	September 1, 2012
56	20-0281808	Konantz, Ronald J. Inc.	474900	September 1, 2012
57	20-0281809	LTS Oil & Gas	511745	September 1, 2012
58	20-0281810	Lufkin Production Company Inc.	512248	September 1, 2012
59	20-0281811	Mesquite Land & Minerals Co.	561921	September 1, 2012
60	20-0281813	Morin, Joseph P	586569	September 1, 2012
61	20-0281814	Mineral Technologies, Inc.	593635	September 1, 2012
62	20-0281815	Mustang Fuel Corporation	596921	September 1, 2012
64	20-0281818	New Territory Petroleum	606611	September 1, 2012
65	20-0281820	O.G.P. Operating, Inc.	617041	September 1, 2012
66	20-0281821	OGL Holdings, LLC	619265	September 1, 2012
67	20-0281822	Old Pine Energy Corporation	621144	September 1, 2012
68	20-0281823	OZTX Oil & Gas, L.L.C.	630575	September 1, 2012
69	20-0281824	Pierco Energy Corp.	665422	September 1, 2012
70	20-0281826	Premium Exploration Company	676051	September 1, 2012
71	20-0281827	Rebel Production Company	696251	September 1, 2012
72	20-0281831	Sedco Operating, LLC	763159	September 1, 2012
73	20-0281833	Sonco Holdings LLC	801653	September 1, 2012
74	20-0281835	Stiff and Whisnand Oil, LLC	821761	September 1, 2012

HEARINGS DIVISION
 RULE 15 INACTIVE WELL MASTER ORDER
 JUNE 13, 2013 CONFERENCE
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ITEM NO.	DOCKET NO.	OPERATOR NAME	OPERATOR NO.	RENEWAL DATE
75	20-0281837	U S Energy Corp. Of Amer. Inc.	875391	September 1, 2012
76	20-0281838	V.L.M. Company	880382	September 1, 2012
78	20-0281840	Waggner, Fred	889880	September 1, 2012
79	20-0281842	Warren, Earl T.	897730	September 1, 2012
80	20-0281844	Wildcat Cement Co.	923295	September 1, 2012
82	20-0282617	B. & L. Oil Company	040737	September 1, 2012
83	20-0282618	Bayer, Arthur	057975	September 1, 2012
84	20-0282619	Conner-Marrs Company	172005	September 1, 2012
86	20-0282622	E & E Construction Company	238524	September 1, 2012
87	20-0282623	Goforth Production Company	312535	September 1, 2012
88	20-0282625	Indian Exploration, Inc.	423771	September 1, 2012
89	20-0282626	Jenex Petroleum Corporation	431135	September 1, 2012
90	20-0282627	Loudon Operating Company, L.L.C.	509363	September 1, 2012
91	20-0282628	LTX Oil Company, L.L.C.	511755	September 1, 2012
92	20-0282629	Mcguffin, Joe Jr.	549892	September 1, 2012
93	20-0282630	Midway Operating Company, L.L.C.	566398	September 1, 2012
94	20-0282631	Mogul Operating LLC	573652	September 1, 2012
95	20-0282632	O & O Operators, LLC.	617028	September 1, 2012
96	20-0282633	Oilton Resources, Inc.	621012	September 1, 2012
98	20-0282635	Origin Prod Co Gonzales Prop LLC	625627	September 1, 2012
99	20-0282636	P,B&B Operating Inc.	631644	September 1, 2012
100	20-0282637	Petrosearch Operating Co, LLC	660938	September 1, 2012
101	20-0282638	Phillips, Jack L. Co.	663109	September 1, 2012
102	20-0282639	Quest EMG, Inc.	684615	September 1, 2012
103	20-0282640	Reneau Oil Co.	701746	September 1, 2012
104	20-0282641	Reneau, James Seed Co.	701747	September 1, 2012
106	20-0282643	Sibley Creek Ranches, L.L.C.	779273	September 1, 2012

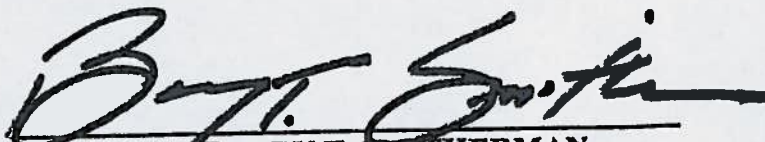
HEARINGS DIVISION
RULE 15 INACTIVE WELL MASTER ORDER
JUNE 13, 2013 CONFERENCE
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ITEM NO.	DOCKET NO.	OPERATOR NAME	OPERATOR NO.	RENEWAL DATE
107	20-0282644	South Oil, Inc.	802623	September 1, 2012
108	20-0282645	Spitfire Partners, LLC	809960	September 1, 2012
110	20-0282647	United Operating, LLC	877448	September 1, 2012
111	20-0282648	Upland Resources LLC	878931	September 1, 2012
113	20-0282650	Woolley, Gary W.	941486	September 1, 2012
114	20-0282613	XOG Operating LLC	945921	September 1, 2012

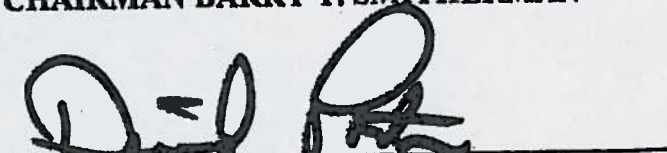
IT IS ORDERED that each referenced Final Order shall become effective when this Order is signed and that a copy of this Order shall be affixed to each Final Order.

Done in Austin, Texas on June 13, 2013.

RAILROAD COMMISSION OF TEXAS



CHAIRMAN BARRY T. SUTHERMAN



COMMISSIONER DAVID PORTER



COMMISSIONER CHRISTI CRADDICK

ATTEST:




SECRETARY