

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0284600

IN RE: P-5 ORGANIZATION REPORT OF HEREFORD, J. A. INDUSTRIES, INC.

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. Hereford, J. A. Industries, Inc. [Operator #379753] (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 May 1, 2013.
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 Hereford, J. A. Industries, Inc.'s P-5 Organization Report is hereby **DENIED**.

It is further ORDERED that all P-4 Certificates of Compliance issued to Hereford, J. A. Industries, Inc. as operator of record are hereby **CANCELLED** and all related pipeline or other carrier connections are hereby **SEVERED**.

It is further ORDERED that Hereford, J. A. Industries, Inc. 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 Hereford, J. A. Industries, Inc. 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 October 1, 2013.)

API Number	District	ID Number	Lease Name	Well Number
161 31077	05	127041	REED GAS UNIT	1
Electricity must be disconnected (certify on Form W-3C)				
241 30534	03	22016	S & M ENERGY - ARCO "C"	2
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
347 30387	06	05780	MCDONALD, J. B.	7
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
347 30559	06	04329	MEISENHEIMER, GEORGE	2
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
347 30560	06	04329	MEISENHEIMER, GEORGE	4
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
347 30561	06	04329	MEISENHEIMER, GEORGE	5
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
347 30562	06	04329	MEISENHEIMER, GEORGE	3
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
347 30563	06	04329	MEISENHEIMER, GEORGE	1 A
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
347 30786	06	11725	WELL'S DEER BLIND	1
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
347 30802	06	11725	WELL'S DEER BLIND	2
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
347 30804	06	05780	MCDONALD, J. B.	9
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
347 30805	06	05780	MCDONALD, J. B.	8
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
347 30865	06	05780	MCDONALD, J. B.	11
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
347 30868	06	05780	MCDONALD, J. B.	12
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
347 30955	06	11725	WELL'S DEER BLIND	4
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
347 30956	06	11725	WELL'S DEER BLIND	3
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
347 30967	06	11725	WELL'S DEER BLIND	5
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
347 31382	06	11724	MAST, A. T. "C"	1C
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
347 31383	06	11724	MAST, A. T. "C"	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	2C
347 31384	06	11724	MAST, A. T. "C"	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	3C
347 31385	06	11724	MAST, A. T. "C"	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	4C
347 31386	06	11724	MAST, A. T. "C"	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	5C
347 31388	06	11724	MAST, A. T. "C"	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	10C
347 31393	06	11724	MAST, A. T. "C"	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	6C
347 31394	06	11724	MAST, A. T. "C"	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	7C
347 31395	06	11724	MAST, A. T. "C"	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	8C
347 31396	06	11724	MAST, A. T. "C"	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	9C
347 31423	06	11724	MAST, A. T. "C"	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	12C
347 31424	06	11724	MAST, A. T. "C"	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	15C
347 31425	06	11724	MAST, A. T. "C"	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	14C
347 31426	06	11724	MAST, A. T. "C"	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	13C
347 31427	06	11724	MAST, A. T. "C"	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	11C
347 80039	06	04329	MEISENHEIMER, GEORGE	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	1
347 80049	06	05745	ADAMS	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	1
347 80050	06	05745	ADAMS	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	3
347 80052	06	05780	MCDONALD, J. B.	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	2
347 80096	06	11725	WELL'S DEER BLIND	
			Must resolve Field Operations H-15 delinquency preventing 14B2 approval	6

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Exhibit A