

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0284993

IN RE: P-5 ORGANIZATION REPORT OF J. K. J. COMPANY

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. J. K. J. Company [Operator #427693] (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 June 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 J. K. J. Company's P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that J. K. J. Company 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 J. K. J. Company 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 November 12, 2013.)

API Number	District	ID Number	Lease Name	Well Number
009 01789	09	00007	ANDREWS, B. C. -A- Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	15
009 01790	09	00007	ANDREWS, B. C. -A- Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	17
009 31600	09	00007	ANDREWS, B. C. -A- Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	20
009 32174	09	00007	ANDREWS, B. C. -A- Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	21
009 32362	09	00007	ANDREWS, B. C. -A- Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	22
009 33039	09	00007	ANDREWS, B. C. -A- Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	23
009 33283	09	00007	ANDREWS, B. C. -A- Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	24
009 33295	09	00007	ANDREWS, B. C. -A- Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	25
009 33565	09	00007	ANDREWS, B. C. -A- Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	26
009 33985	09	00007	ANDREWS, B. C. -A- Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	27
009 33987	09	00007	ANDREWS, B. C. -A- Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	28
009 35886	09	00007	ANDREWS, B. C. -A- Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	30
009 36464	09	00007	ANDREWS, B. C. -A- Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	31
009 37501	09	26362	ANDREWS "G" No approved W-3X on file	3A

Docket No. 20-0284993

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
009 38173 No approved W-3X on file	09	26362	ANDREWS "G"	W 4
009 38184 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	09	26362	ANDREWS "G"	W 2
009 38185 No approved W-3X on file	09	26362	ANDREWS "G"	6B
009 38307 Electricity must be disconnected (certify on Form W-3C) Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	09	17664	ANDREWS, KEN	8
009 38335 No approved W-3X on file	09	26362	ANDREWS "G"	8B
009 38673 No approved W-3X on file	09	26362	ANDREWS "G"	D 1
009 38674 No approved W-3X on file	09	26362	ANDREWS "G"	D 2
009 38792 No approved W-3X on file	09	26362	ANDREWS "G"	E 2
009 38808 No approved W-3X on file	09	26362	ANDREWS "G"	D 3
009 38852 No approved W-3X on file	09	26362	ANDREWS "G"	E 1
009 38987 Electricity must be disconnected (certify on Form W-3C) Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	09	26362	ANDREWS "G"	G 1
009 80009 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	09	00007	ANDREWS, B. C. -A-	1
009 80011 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	09	00007	ANDREWS, B. C. -A-	14
009 81268 No approved W-3X on file	09	26362	ANDREWS "G"	W 3
009 81269 No approved W-3X on file	09	26362	ANDREWS "G"	8
009 81273 No approved W-3X on file	09	26362	ANDREWS "G"	W 1

API Number	District	ID Number	Lease Name	Well Number
237 01207	09	03343	BIRDWELL	1
No approved W-3X on file				
Must resolve Field Operations H-15 failure preventing 14(B)(2) approval				
237 03179	09	03343	BIRDWELL	2W
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				