RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL & GAS DOCKET NO. 20-0285002

IN RE: P-5 ORGANIZATION REPORT OF OMEGA ENERGY, 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. Omega Energy, LLC [Operator #622657] (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 Omega Energy, LLC's P-5 Organization Report is hereby **DENIED.**
- It is further ORDERED that all P-4 Certificates of Compliance issued to Omega Energy, LLC as operator of record are hereby CANCELLED and all related pipeline or other carrier connections are hereby SEVERED.
- It is further ORDERED that Omega Energy, 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 Omega Energy, 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 November 12, 2013.)

Docket No. 20-0285002

Must resolve Field Operations H-15 delinquency preventing 14B2 approval

MANAHAN, LORENA C.

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096434

Electricity must be disconnected (certify on Form W-3C)

161 30616

No approved W-3X on file

Exhibit A

	I Number District ID Number Lease Name	Well Numb ϵ
17	5 33465 02 207247 CORGEY 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	1
17	7 31958 01 13666 SMITH, E.E. UNIT VI 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	6Н
24	9 32093 04 11563 LA GLORIA OIL UNIT 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	1
29'	7 02441 02 001519 STRIEBECK, W. H. JR. Electricity must be disconnected (certify on Form W-3C) Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file Must resolve lack of Good Faith Claim issue preventing 14(B)(2)	1 L
297	02441 02 001516 STRIEBECK, W. H. JR. Electricity must be disconnected (certify on Form W-3C) Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file Must resolve lack of Good Faith Claim issue preventing 14(B)(2)	1 U
297	32689 02 119777 BURNS, KITTY 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	1A
297	34126 02 07988 RIPPSTEIN Electricity must be disconnected (certify on Form W-3C) Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	1
311	33813 01 220046 MORRILL 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	1X
351	30420 03 17951 SANTA FE RUNNELS Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	2
355	05709 04 146578 GROENVELD, B. Electricity must be disconnected (certify on Form W-3C) Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	1
	30435 04 08187 WALKER, R. H. Electricity must be disconnected (certify on Form W-3C) Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approved W-3X on Form W-3C	1 Oproval

AI	PI Number	District	ID Number	Lease Name	Well	Numbe
35	No approv	ved W-3X on	disconnecte st be remov	WALKER, T.S. d (certify on Form W-3C) ed (certify on Form W-3C) Claim issue preventing 14(B)(1
35	5 32099 Electrici	04	229969 disconnected	THREE-WHETTOS d (certify on Form W-3C)	z, appro	1
35		04 ty must be equipment mu red W-3X on	St De remova	WENDEL OIL UNIT d (certify on Form W-3C) ed (certify on Form W-3C)		1 D
355		04 ty must be quipment mu ed W-3X on	disconnected st be remove	WENDEL GAS UNIT l (certify on Form W-3C) d (certify on Form W-3C)		1 F
355		04 ty must be o n fluids mus ed W-3X on 1	disconnected	LONDON-WARD UNIT (certify on Form W-3C) (certify on Form W-3C)		1
355		04 Ty must be d Quipment mused W-3X on f	lisconnected at be removed	WENDEL OIL UNIT (certify on Form W-3C) d (certify on Form W-3C)		2
355	No approve	ed W-3X on f	isconnected t be removed	KUEMPEL, HELEN (certify on Form W-3C) d (certify on Form W-3C) Claim issue preventing 14(B)(2) approva	1
355	33678 Electricit Production	04 V must be d	216702 (isconnected t be purged	CHAPMAN RANCH (certify on Form W-3C) (certify on Form W-3C)	, approve	1
367	30091 Electricit No approve	7B y must be d d W-3X on f:	isconnected	ARDY L.E. (certify on Form W-3C)		1
	and commence control control control	04 y must be di lipment must d W-3X on fi	sconnected be removed	ARKER, R.L. (certify on Form W-3C) (certify on Form W-3C)		
		/ must be di i W-3X on fi	sconnected	ACOBS, CHARLES (certify on Form W-3C). 5 delinquency preventing 14B2		1

OMEGA ENERGY, LLC Page: SEPTEMBER 5, 2013 API Number District ID Number Lease Name Well Numbé 469 32786 139809 GIBBS GAS UNIT Electricity must be disconnected (certify on Form W-3C) 1 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file 479 33055 04 103184 NORDAN TRUST ET AL Electricity must be disconnected (certify on Form W-3C) 1 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file 479 33629 04 110961 NORDAN TRUST ET AL Electricity must be disconnected (certify on Form W-3C) 2 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file 03 111212 ANGELO UNIT Electricity must be disconnected (certify on Form W-3C) 2 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file 481 31708 03 085303 ANGELO UNIT 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

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