

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0295665

IN RE: P-5 ORGANIZATION REPORT OF WJH ENERGY, 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. WJH Energy, Inc. [Operator #888225] (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 October 1, 2014.
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 WJH Energy, Inc.'s P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that WJH Energy, 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 WJH Energy, 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 March 10, 2015.)

API Number	District	ID Number	Lease Name	Well Number
049 30236 No approved W-3X on file	7B	272538	HAYS, TOM	1
049 30447 No approved W-3X on file	7B	12375	HICKMAN, IDA R. "D"	1
049 30773 No approved W-3X on file	7B	12166	HAYS, TOM -A-	2 A
049 31244 No approved W-3X on file	7B	253370	HAYS, TOM	2
049 32454 No approved W-3X on file	7B	17066	HICKMAN "E"	1
049 35000 No approved W-3X on file	7B	25177	ROSSER	1
049 35103 No approved W-3X on file	7B	143286	BYLER "A"	1
049 35124 No approved W-3X on file	7B	130614	SOHIO-EMMONS	2
049 35157 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7B	27207	OXY-EMMONS	2
049 35158 No approved W-3X on file	7B	262341	HYDEMAN	1
083 30139 No approved W-3X on file	7B	052619	CAMPBELL, H.	7
083 30143 No approved W-3X on file	7B	268091	HICKMAN, W.R.	2
083 30622 No approved W-3X on file	7B	13856	COMER, ROY B.	1
083 30784 No approved W-3X on file	7B	13850	BAUGH, D.S. "A"	1
083 30810 No approved W-3X on file	7B	072971	BAUGH, D. S.	2
083 31213 No approved W-3X on file	7B	13817	SWITZER, M.L.	3
083 31447 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7B	12139	HISE	2
083 31510 No approved W-3X on file	7B	14664	KINGSBERRY "C"	1

Docket No. 20-0295665

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
083 31629 No approved W-3X on file	7B	13817	SWITZER, M.L.	4
083 31692 No approved W-3X on file	7B	14664	KINGSBERRY "C"	4
083 31965 No approved W-3X on file	7B	114547	RICHMOND, W.J.	3
083 32528 No approved W-3X on file	7B	17503	REEVES, CARRIE	2
083 32899 No approved W-3X on file	7B	253406	HERRING, V.	6
083 34116 No approved W-3X on file	7B	11113	CAMPBELL, H.	8
083 34900 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7B	12139	HISE	3
083 35582 No approved W-3X on file	7B	28780	CRIMSON-MCCLURE	1
083 80102 No approved W-3X on file	7B	018191	RENDLEMAN, E. P.	9
083 80105 No approved W-3X on file	7B	018194	SCHIRMACHER	1
083 80140 No approved W-3X on file	7B	018230	JONES-HUGHES	1
083 80152 No approved W-3X on file	7B	018243	RUSSELL, S. M.	2
083 80520 No approved W-3X on file	7B	00843	BAUGH, D. S.	1
083 81413 No approved W-3X on file	7B	11113	CAMPBELL, H.	1
083 81414 No approved W-3X on file	7B	11113	CAMPBELL, H.	2
083 81415 No approved W-3X on file	7B	11113	CAMPBELL, H.	3
083 81417 No approved W-3X on file	7B	11113	CAMPBELL, H.	5

Docket No. 20-0295665

Exhibit A

INSUFFICIENT PROGRESS ON 10-YEAR INACTIVE WELLS: For wells shut-in at least 10 years as of September 1, 2010, operators were given five years to address the surface equipment removal requirements. For your Organization Report renewal on OCTOBER 1, 2014, Rule 15(i) requires that you be at least 80% complete with this process. Current W-3C records indicate that you have not met this requirement (66% of your phase-in wells show that you have completed the surface cleanup). Your Organization Report renewal cannot be approved until you have met this requirement and have filed the appropriate Commission forms to update our records.

Docket No. 20-0295665

Exhibit A