

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0296690

IN RE: P-5 ORGANIZATION REPORT OF O & O OPERATORS, 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. O & O Operators, LLC. [Operator #617028] (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, 2015.
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 O & O Operators, LLC.'s P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that O & O Operators, 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 O & O Operators, 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 9, 2015.)

API Number	District	ID Number	Lease Name	Well Number
371 00022 No approved W-3X on file	08	30372	HALL, E.A.	3
371 00027 No approved W-3X on file	08	30372	HALL, E.A.	1D
371 00174 No approved W-3X on file	08	04131	MASTERSON -B-	2W
371 00175 No approved W-3X on file	08	04131	MASTERSON -B-	4
371 00176 No approved W-3X on file	08	04131	MASTERSON -B-	5
371 00181 No approved W-3X on file	08	04131	MASTERSON -B-	3
371 00213 No approved W-3X on file	08	04127	GREGG "AC"	4
371 00215 No approved W-3X on file	08	04127	GREGG "AC"	6
371 00300 No approved W-3X on file	08	00315	GREGG -B-	1
371 00438 No approved W-3X on file	08	05865	MASTERSON, J. S.	2
371 00439 No approved W-3X on file	08	05865	MASTERSON, J. S.	3W
371 00442 No approved W-3X on file	08	05865	MASTERSON, J. S.	4W
371 00444 No approved W-3X on file	08	05865	MASTERSON, J. S.	6
371 00447 No approved W-3X on file	08	05865	MASTERSON, J. S.	9W
371 00450 No approved W-3X on file	08	05865	MASTERSON, J. S.	12W
371 00454 No approved W-3X on file	08	05865	MASTERSON, J. S.	17
371 00459 No approved W-3X on file	08	05866	SHEARER, W. T.	1W
371 00461 No approved W-3X on file	08	05866	SHEARER, W. T.	3W
371 00464 No approved W-3X on file	08	05866	SHEARER, W. T.	5

Docket No. 20-0296690

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
371 00467 No approved	08 W-3X on file	05866	SHEARER, W. T.	8
371 00470 No approved	08 W-3X on file	05867	SHEARER -AB-	3
371 01439 No approved	08 W-3X on file	04130	MASTERSON -A-	11
371 01440 No approved	08 W-3X on file	04131	MASTERSON -B-	8
371 01443 No approved	08 W-3X on file	04131	MASTERSON -B-	7
371 01468 No approved	08 W-3X on file	05863	SHEARER -B-	17
371 01469 No approved	08 W-3X on file	05863	SHEARER -B-	18W
371 01471 No approved	08 W-3X on file	05863	SHEARER -B-	23
371 01475 No approved	08 W-3X on file	05863	SHEARER -B-	28
371 01477 No approved	08 W-3X on file	05864	SHEARER -CB-	9
371 03052 No approved	08 W-3X on file	00326	GREGG, D.B. -C-	4
371 03840 No approved	08 W-3X on file	05864	SHEARER -CB-	2
371 04120 No approved	08 W-3X on file	05864	SHEARER -CB-	3
371 04121 No approved	08 W-3X on file	05864	SHEARER -CB-	4
371 04123 No approved	08 W-3X on file	05864	SHEARER -CB-	6
371 04124 No approved	08 W-3X on file	05864	SHEARER -CB-	7
371 04247 No approved	08 W-3X on file	28211	CROCKETT -A-	1
371 04549 No approved	08 W-3X on file	04130	MASTERSON -A-	7
371 04551 No approved	08 W-3X on file	05862	FROMME -B-	2

Docket No. 20-0296690

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
371 04552 No approved W-3X on file	08	05862	FROMME -B-	1
371 04553 No approved W-3X on file	08	05862	FROMME -B-	3W
371 04554 No approved W-3X on file	08	05862	FROMME -B-	4W
371 04561 No approved W-3X on file	08	05863	SHEARER -B-	2
371 04563 No approved W-3X on file	08	05863	SHEARER -B-	1W
371 04564 No approved W-3X on file	08	05863	SHEARER -B-	4W
371 04567 No approved W-3X on file	08	05863	SHEARER -B-	8
371 04568 No approved W-3X on file.	08	05863	SHEARER -B-	9W
371 04573 No approved W-3X on file	08	05863	SHEARER -B-	13W
371 04575 No approved W-3X on file	08	05863	SHEARER -B-	15W
371 04576 No approved W-3X on file	08	05863	SHEARER -B-	16W
371 04693 No approved W-3X on file	08	00335	CROCKETT-STATE -A-	3
371 06436 No approved W-3X on file	08	35144	CROCKETT, V. W.	1
371 06464 No approved W-3X on file	08	35733	CROCKETT, V. W. "A"	2
371 06761 No approved W-3X on file	08	04130	MASTERSON -A-	6
371 07447 No approved W-3X on file	08	04130	MASTERSON -A-	1W
371 07779 No approved W-3X on file	08	05865	MASTERSON, J. S.	19W
371 07780 No approved W-3X on file	08	05865	MASTERSON, J. S.	20
371 10171 No approved W-3X on file	08	34049	SHEARER "B"	29

Docket No. 20-0296690

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
371 15875 No approved W-3X on file	08	05865	MASTERSON, J. S.	16
371 30221 No approved W-3X on file	08	23968	HUNT	1
371 30675 No approved W-3X on file	08	23968	HUNT	1 A
371 30704 No approved W-3X on file	08	23968	HUNT	2A
371 31761 No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	08	069300	GREGG "B"	2
371 34517 No approved W-3X on file	08	128331	TEXACO	1
371 35623 No approved W-3X on file	08	05865	MASTERSON, J. S.	21
371 80582 No approved W-3X on file	08	05864	SHEARER -CB-	8
371 80593 No approved W-3X on file	08	05866	SHEARER, W. T.	2
371 80594 No approved W-3X on file	08	05866	SHEARER, W. T.	4
371 83482 No approved W-3X on file	08	05864	SHEARER -CB-	1

Docket No. 20-0296690

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