

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0298913

IN RE: P-5 ORGANIZATION REPORT OF NEW-TEX OPERATING II, 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. New-Tex Operating II, LLC [Operator #606156] (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 July 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 New-Tex Operating Ii, LLC's P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that New-Tex Operating Ii, 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 New-Tex Operating Ii, 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 25 days after the Commission's Order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). 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 Commission Order is signed.

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 December 8, 2015.)

API Number	District	ID Number	Lease Name	Well Number
233 01171	10	04274	STATE OF TEXAS -A- Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	A 12
233 32604	10	156926	STATE "A" No approved W-3X on file	62A
233 80167	10	023939	STATE OF TEXAS A No approved W-3X on file	1
233 80168	10	023940	STATE OF TEXAS A No approved W-3X on file	2
233 80226	10	024637	STATE -A- No approved W-3X on file	A 8
233 80227	10	024639	STATE -A- No approved W-3X on file	A 38
233 80538	10	027213	STATE -A- No approved W-3X on file	62R
233 80617	10	034543	STATE -A- No approved W-3X on file	A 10
233 82948	10	01138	WHITTENBURG, J. A. 'C' Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	2
233 84296	10	01671	STATE OF TEXAS A-B No approved W-3X on file	B 1
233 84297	10	01671	STATE OF TEXAS A-B No approved W-3X on file	B 2
233 84298	10	01671	STATE OF TEXAS A-B No approved W-3X on file	B 4
233 84299	10	01671	STATE OF TEXAS A-B No approved W-3X on file	B 8
233 84300	10	01671	STATE OF TEXAS A-B No approved W-3X on file	B 10
233 84302	10	01671	STATE OF TEXAS A-B No approved W-3X on file	B 13
233 84303	10	01671	STATE OF TEXAS A-B No approved W-3X on file	B 15
233 84316	10	01671	STATE OF TEXAS A-B No approved W-3X on file	B 31
233 84317	10	01671	STATE OF TEXAS A-B No approved W-3X on file	B 33

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
233 84318 No approved W-3X on file	10	01671	STATE OF TEXAS A-B	B 35
233 84319 No approved W-3X on file	10	01671	STATE OF TEXAS A-B	B 36
233 84320 No approved W-3X on file	10	01671	STATE OF TEXAS A-B	B 37
233 84322 No approved W-3X on file	10	01671	STATE OF TEXAS A-B	B 40
233 84323 No approved W-3X on file	10	01671	STATE OF TEXAS A-B	B 42
233 84324 No approved W-3X on file	10	01671	STATE OF TEXAS A-B	B 43
233 84325 No approved W-3X on file	10	01671	STATE OF TEXAS A-B	B 44
233 84327 No approved W-3X on file	10	01671	STATE OF TEXAS A-B	B 46
233 84329 No approved W-3X on file	10	01671	STATE OF TEXAS A-B	B 50
233 84330 No approved W-3X on file	10	01671	STATE OF TEXAS A-B	B 52
233 84332 No approved W-3X on file	10	01671	STATE OF TEXAS A-B	B 55
233 84333 No approved W-3X on file	10	01671	STATE OF TEXAS A-B	B 57
233 84334 No approved W-3X on file	10	01671	STATE OF TEXAS A-B	B 58
233 84335 No approved W-3X on file	10	04274	STATE OF TEXAS -A-	B 62

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Exhibit A