

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0299209

**IN RE: P-5 ORGANIZATION REPORT OF PROPERTY DEVELOPMENT GROUP,
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. Property Development Group, Inc. [Operator #681459] (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 August 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 Property Development Group, Inc.'s P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that Property Development Group, 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 Property Development Group, 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 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 January 12, 2016.)

API Number	District	ID Number	Lease Name	Well Number
157 31050 No approved W-3X on file	03	13175	MAHLMANN HEIRS	1
163 00106 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file Must resolve Field Operations H-15 failure preventing 14(B)(2) approval	01	194342	HITZFELDER	1
163 33260 No approved W-3X on file	01	175067	HITZFELDER	4
163 33270 No approved W-3X on file	01	193850	HITZFELDER	6
163 33272 No approved W-3X on file	01	14250	HITZFELDER	7
163 33276 No approved W-3X on file	01	15054	CALAME A	2
163 33277 No approved W-3X on file	01	173127	BROWN	1
163 33278 No approved W-3X on file	01	175945	BROWN	2
163 33279 No approved W-3X on file	01	14388	BROWN	3
163 33280 No approved W-3X on file	01	14388	BROWN	4
163 33287 No approved W-3X on file	01	14211	HITZFELDER	13
163 33485 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	01	15054	CALAME A	5
249 31808 No approved W-3X on file	04	113613	FOSTER, DORIS ET AL	1
249 31871 No approved W-3X on file	04	116369	FOSTER, DORIS ET AL	2
249 31903 No approved W-3X on file	04	125955	FOSTER, DORIS ETAL	3
249 31948 No approved W-3X on file	04	126053	FOSTER, DORIS ET AL	4
249 32016 No approved W-3X on file	04	125039	FOSTER, DORIS ET AL	5
249 32045 No approved W-3X on file	04	131345	FOSTER, DORIS ET AL	6

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
255 31500 No approved W-3X on file	02	208024	BORDOVSKY UNIT	1
273 32280 No approved W-3X on file	04	177702	SALAZAR UNIT #1	1
273 32341 No approved W-3X on file	04	202385	COLLINS	1
273 32344 No approved W-3X on file	04	191323	COLLINS	2
273 32374 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	04	193937	COLLINS	3
469 34172 No approved W-3X on file	02	255819	LEE	1
473 30581 No approved W-3X on file	03	188225	STOWE	1
473 30706 No approved W-3X on file	03	186936	STOWE	2
473 30786 No approved W-3X on file	03	193890	KOOMEY	1
473 30914 No approved W-3X on file	03	209011	KOOMEY	6
473 30971 No approved W-3X on file	03	211942	KOOMEY	1A
473 30984 No approved W-3X on file	03	25835	POCO REATA	1
507 32542 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	01	159608	WEST	2
507 32729 No approved W-3X on file	01	256494	JENNINGS	1

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Exhibit A