

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0301220

IN RE: P-5 ORGANIZATION REPORT OF MER RESOURCES

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. MER Resources [Operator #559709] (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 March 1, 2016.
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 MER Resources's P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that MER Resources 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 MER Resources 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 August 9, 2016.)

API Number	District	ID Number	Lease Name	Well Number
049 30243	7B	11842	TISCHLER	1 S
No approved W-3X on file				
049 31563	7B	14272	BUSBEE	1 S
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
049 31687	7B	14272	BUSBEE	2 S
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
049 31764	7B	14272	BUSBEE	3 S
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
049 33783	7B	14272	BUSBEE	4
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
049 33784	7B	14272	BUSBEE	5
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
049 33785	7B	14272	BUSBEE	6
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
049 34446	7B	14272	BUSBEE	7
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
049 35299	7B	14272	BUSBEE	B 1
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
049 35300	7B	14272	BUSBEE	B 2
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
049 35301	7B	14272	BUSBEE	B 4
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
049 35302	7B	14272	BUSBEE	B 3
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
049 35304	7B	14272	BUSBEE	D 1
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35377	7B	14272	BUSBEE	B 5
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35399	7B	14272	BUSBEE	1BC
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35424	7B	14272	BUSBEE	2BC
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35576	7B	27574	BEEN	1A
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35580	7B	27574	BEEN	3A
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35581	7B	27574	BEEN	2A
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35582	7B	27574	BEEN	4A
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35587	7B	27574	BEEN	5A
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35592	7B	27574	BEEN	7 B
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
049 35593	7B	27574	BEEN	6 B
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35599	7B	27574	BEEN	8 B
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35612	7B	27574	BEEN	9 B
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35613	7B	27574	BEEN	10 B
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
049 35616	7B	27574	BEEN	17 D
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35617	7B	27574	BEEN	16 D
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35623	7B	27574	BEEN	18 D
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35626	7B	27574	BEEN	19 D
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35627	7B	27574	BEEN	20 D
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35629	7B	27574	BEEN	21 E
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35631	7B	27574	BEEN	22 E
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35632	7B	27574	BEEN	23 E
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35633	7B	27574	BEEN	24 E
No approved W-3X on file				
049 35636	7B	27574	BEEN	25 E
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35641	7B	27574	BEEN	26 F
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35642	7B	27574	BEEN	27 F
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35644	7B	27574	BEEN	29 F
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
049 35645	7B	27574	BEEN	30 F
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
049 35646	7B	27574	BEEN	28 F
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				

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Exhibit A