

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0301590

IN RE: P-5 ORGANIZATION REPORT OF MASADA ENERGY 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. Masada Energy LLC [Operator #531343] (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 April 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 Masada Energy LLC's P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that Masada Energy 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 Masada Energy 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 September 12, 2016.)

API Number	District	ID Number	Lease Name	Well Number
059 07886 No approved W-3X on file	7B	14956	RAMSEY, MARY "C"	W 1
059 07887 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	14955	RAMSEY, MARY "B"	W 2
059 07888 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	14955	RAMSEY, MARY "B"	W 3
059 07889 No approved W-3X on file	7B	14954	RAMSEY, MARY "A"	W 4
059 07890 No approved W-3X on file	7B	14956	RAMSEY, MARY "C"	W 5
059 08120 No approved W-3X on file	7B	14956	RAMSEY, MARY "C"	8
059 20009 No approved W-3X on file	7B	14954	RAMSEY, MARY "A"	W 7
059 20010 No approved W-3X on file	7B	14954	RAMSEY, MARY "A"	W 8
059 20011 No approved W-3X on file	7B	00315	WILLIAMS, L.	14
059 20014 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	10147	WILLIAMS, R. D.	1
059 20195 No approved W-3X on file	7B	14956	RAMSEY, MARY "C"	11
059 30051 No approved W-3X on file	7B	14954	RAMSEY, MARY "A"	12
059 30976 No approved W-3X on file	7B	091086	BURNAM	1
059 32071 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	10147	WILLIAMS, R. D.	1 A
059 32074 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	10147	WILLIAMS, R. D.	3A
059 32080 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	10147	WILLIAMS, R. D.	2A
059 32081 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	00315	WILLIAMS, L.	2A

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
059 32119	7B	00315	WILLIAMS, L. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	3A
059 32196	7B	00315	WILLIAMS, L. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	5A
059 32198	7B	14955	RAMSEY, MARY "B" Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	1
059 32202	7B	14955	RAMSEY, MARY "B" Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	2
059 32228	7B	14955	RAMSEY, MARY "B" Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	3
059 32237	7B	14954	RAMSEY, MARY "A" No approved W-3X on file	1
059 32240	7B	14955	RAMSEY, MARY "B" Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	4
059 32241	7B	14955	RAMSEY, MARY "B" Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	5
059 32283	7B	14954	RAMSEY, MARY "A" No approved W-3X on file	2
059 32284	7B	14954	RAMSEY, MARY "A" No approved W-3X on file	3
059 32305	7B	14954	RAMSEY, MARY "A" No approved W-3X on file	5
059 32306	7B	14954	RAMSEY, MARY "A" No approved W-3X on file	4
059 32307	7B	00439	PRUETT, W. E. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	21
059 32308	7B	00439	PRUETT, W. E. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	22
059 34019	7B	21054	SHIRLEY "B" Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	2

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
059 34844	7B	00381	SHIRLEY, JEWELL R. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	2 W
059 34899	7B	21054	SHIRLEY "B" Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	1
059 34900	7B	21054	SHIRLEY "B" Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	6
059 34901	7B	21054	SHIRLEY "B" Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	5
059 34902	7B	21054	SHIRLEY "B" Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	4
059 34903	7B	21054	SHIRLEY "B" No approved W-3X on file	3
059 35806	7B	12496	DILLER, SAM A. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	5A
059 80146	7B	00315	WILLIAMS, L. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7
059 80147	7B	00315	WILLIAMS, L. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	10
059 80148	7B	00315	WILLIAMS, L. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	12
059 80149	7B	00315	WILLIAMS, L. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	13
059 80167	7B	14955	RAMSEY, MARY "B" Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	9
059 80168	7B	14954	RAMSEY, MARY "A" No approved W-3X on file	10
059 80400	7B	00381	SHIRLEY, JEWELL R. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	5 W
059 80520	7B	00439	PRUETT, W. E. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	2

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
059 80521	7B	00439	PRUETT, W. E.	3
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
059 80522	7B	00439	PRUETT, W. E.	4
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
059 80523	7B	00439	PRUETT, W. E.	5
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
059 80524	7B	00439	PRUETT, W. E.	6
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
059 80525	7B	00439	PRUETT, W. E.	7
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
059 80526	7B	00439	PRUETT, W. E.	9
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
059 80528	7B	00439	PRUETT, W. E.	A 1
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
059 81690	7B	10147	WILLIAMS, R. D.	3
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
441 01684	7B	05323	FRANKLIN, GENE	3
No approved W-3X on file				
441 30658	7B	05323	FRANKLIN, GENE	8
No approved W-3X on file				
441 80271	7B	05323	FRANKLIN, GENE	5
No approved W-3X on file				
441 80272	7B	05323	FRANKLIN, GENE	6
No approved W-3X on file				

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Exhibit A