

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 20-0301578**

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**IN RE: P-5 ORGANIZATION REPORT OF BEP OPERATING, LLC**

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**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. BEP Operating, LLC [Operator #066718] (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 BEP Operating, LLC's P-5 Organization Report is hereby **DENIED**.

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

**It is further ORDERED** that BEP Operating, 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 BEP Operating, 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
023 30816	09	22205	PTACEK, OTTO	2
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
023 30817	09	22782	MOTL, ROBERT	4
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
023 30837	09	22205	PTACEK, OTTO	4
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
023 30919	09	23141	BUTLER, J. D.	2
No approved W-3X on file				
023 30923	09	22782	MOTL, ROBERT	6
No approved W-3X on file				
023 30928	09	23141	BUTLER, J. D.	3
No approved W-3X on file				
023 31302	09	22782	MOTL, ROBERT	1
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
023 31311	09	09687	MACHA, L. W.	16
No approved W-3X on file				
023 31360	09	09687	MACHA, L. W.	19
No approved W-3X on file				
023 31553	09	09687	MACHA, L. W.	20
No approved W-3X on file				
023 80527	09	09687	MACHA, L. W.	5
No approved W-3X on file				
023 80529	09	09687	MACHA, L. W.	7
No approved W-3X on file				
057 00947	02	07910	STATE OF TEXAS 33724	2
No approved W-3X on file				
057 00954	02	07884	STATE OF TEXAS 33724	6 A
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
057 01434	02	045235	POWDERHORN CO.	12
No approved W-3X on file				
057 31333	02	01271	STATE OF TEXAS #33724	16
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
057 31508	02	145421	AUSTIN, P. R.	6
No approved W-3X on file				

Docket No. 20-0301578

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
057 31514	02	07884	STATE OF TEXAS 33724 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	17
057 31517	02	187388	STATE OF TEXAS 33724 No approved W-3X on file	19
057 31518	02	219040	STATE OF TEXAS 33724 No approved W-3X on file	18
335 30271	8A	61128	DABBS Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	1
335 30279	8A	61128	DABBS Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	2
335 30297	8A	61128	DABBS Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	9
335 30299	8A	61128	DABBS Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	11
335 30314	8A	61128	DABBS Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	15
335 30467	8A	61385	DABBS "A" Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7 A
335 30471	8A	61385	DABBS "A" Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	3 A
335 30474	8A	61128	DABBS Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	19
335 30475	8A	61422	DABBS, W. T. No approved W-3X on file	1CF
335 30483	8A	61128	DABBS Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	21
335 30625	8A	61422	DABBS, W. T. No approved W-3X on file	2CF
335 30889	8A	61938	CORBELL, J. R. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	1

Docket No. 20-0301578

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
335 31262	8A	61938	CORBELL, J. R. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	2
335 32245	8A	63806	CORBELL, J. R. "A" Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	5
335 32256	8A	63806	CORBELL, J. R. "A" Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	6
335 32257	8A	63806	CORBELL, J. R. "A" Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	4
335 32296	8A	63806	CORBELL, J. R. "A" Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7
335 32297	8A	63806	CORBELL, J. R. "A" Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	3

Docket No. 20-0301578

**Exhibit A**