

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0304692

IN RE: P-5 ORGANIZATION REPORT OF DALLAS PETROLEUM GROUP, 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. Dallas Petroleum Group, Llc [Operator #197688] (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 December 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 Dallas Petroleum Group, Llc's P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that Dallas Petroleum Group, 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 Dallas Petroleum Group, 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 May 10, 2017.)

API Number	District	ID Number	Lease Name	Well Number
037 30310 No approved W-3X on file	06	13260	LIBERTY-EYLAU ISD	1H
037 30314 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	06	13260	LIBERTY-EYLAU ISD	2
131 04190 No approved W-3X on file	04	01235	GREEN	3
131 04192 No approved W-3X on file	04	01235	GREEN	5
131 04198 No approved W-3X on file	04	01235	GREEN	10
131 04199 No approved W-3X on file	04	01235	GREEN	11
131 04205 No approved W-3X on file	04	01235	GREEN	17
131 04207 No approved W-3X on file	04	01235	GREEN	19
131 04209 No approved W-3X on file	04	01235	GREEN	21
131 36390 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	04	13690	SANTERRA	12
131 38359 No approved W-3X on file	04	177664	COLLINS	1
131 38383 No approved W-3X on file	04	178095	COLLINS	2
131 38385 No approved W-3X on file	04	182266	COLLINS	3
131 38385 No approved W-3X on file	04	183993	COLLINS	3
131 38391 No approved W-3X on file	04	178138	COLLINS	4
131 38391 No approved W-3X on file	04	183259	COLLINS	4
131 38394 No approved W-3X on file	04	178094	COLLINS	5
131 39244 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	04	13690	SANTERRA	1

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
131 39246	04	13687	SANTERRA	3
No approved W-3X on file				
131 39256	04	13690	SANTERRA	7
No approved W-3X on file				
131 39292	04	13743	VANCO	3
No approved W-3X on file				
131 39295	04	13743	VANCO	6
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
131 39388	04	13895	HOFFMAN 1271A	1
No approved W-3X on file				
131 39417	04	13743	VANCO	16
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
131 39423	04	13690	SANTERRA	13
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
409 30176	04	07311	WELDER, R. H. -A- A/C 1	35
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
409 32517	04	172460	WELDER "A"	6
No approved W-3X on file				
409 32558	04	13197	WELDER "J"	2
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
409 32958	04	13733	WELDER	A 38
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
479 00994	04	13577	GARCIA, LYDIA	2103D
No approved W-3X on file				
479 40583	04	13577	GARCIA, LYDIA	1
No approved W-3X on file				
479 40707	04	13577	GARCIA, LYDIA	5
No approved W-3X on file				
479 41404	04	13741	J. LOPEZ, ET AL	2
No approved W-3X on file				
479 41545	04	13791	LOPEZ MONTEMAYOR SWD	2
No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
479 41573	04	13791	LOPEZ MONTEMAYOR SWD	3
No approved W-3X on file				

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Exhibit A