RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL & GAS DOCKET NO. 20-0305828

IN RE: P-5 ORGANIZATION REPORT OF DINO OPERATING 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. Dino Operating Llc [Operator #220719] (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 February 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 Dino Operating Llc's P-5 Organization Report is hereby **DENIED.**
- It is further ORDERED that all P-4 Certificates of Compliance issued to Dino 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 Dino 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 Dino 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 August 1, 2017.)

| API | Number Dis | strict | ID Number | Lease Name | Well Number |
|-----|--------------------------------------|---------------|----------------|--|-------------|
| 083 | 34358 No approved | | 118106 file | LANDERS | 1 |
| 083 | 34746 No approved | | 123880 file | LANDERS | 2 |
| 253 | No approved | W-3X on | file | BOEDEKER, D.J. | . 1 |
| 253 | 31825 | 7B | 17531 | preventing 14(B)(2) approval HARRELL, T.B. "A" | 1 |
| 253 | No approved 32298 No approved | 7B | 17531 | HARRELL, T.B. "A" | 2 X |
| 253 | 32441 No approved | 7B | 17531 | HARRELL, T.B. "A" | 3 |
| 253 | 32575 No approved | | 19982 file | HARRELL, T. B. "B" | 4 |
| 253 | 32576 No approved | | | HARRELL, T. B. "B" | 3 |
| 253 | 32767 No approved | | | BOEDEKER, D.J. | 3 |
| 417 | 30984 No approved | | 12246 file | WALKER-BUCKLER-COOPER | 3 |
| 417 | 31038 No approved | | | WALKER-BUCKLER-COOPER | 1 |
| 417 | 31045 No approved | | | WALKER-BUCKLER-COOPER | 2 |
| 417 | 34108 No approved | | | MILLER, MORRIS | 1 |
| 417 | 34200 No approved | | | MILLER, MORRIS | 2 |
| 417 | 34201 No approved | 7B W-3X on | | MILLER, MORRIS | * 3 |
| 417 | 34950 No approved | | | MILLER, MORRIS | 4 |
| 417 | 38473 Surface equi No approved | | st be remove | MORRIS, J.P. ed (certify on Form W-3C) | 108 |
| 417 | 38760 No approved | 7B W-3X on | | BEATY, PATSY | 3 |

Docket No. 20-0305828 Exhibit A

| API | Number Di | strict | ID Number | Lease Name | Well Number |
|-----|----------------------|---------------|---------------|----------------|-------------|
| 447 | 30248 No approved | | | PUTNAM, J. C. | 4 |
| 447 | 30249 No approved | | | PUTNAM, J. C. | 5 |
| 447 | 30554 No approved | | | PUTNAM, T.R. | 6 |
| 447 | 31538 No approved | | | PUTNAM, T.R. | 13 |
| 447 | 31738 No approved | | | PUTNAM, J. C. | 8 |
| 447 | 31739 No approved | | | PUTNAM, J. C. | 9 |
| 447 | 33177 No approved | | | PUTNAM, J. C. | 10 |
| 447 | 33330 No approved | 7B W-3X on | 10814 file | PUTNAM, J. C. | 11 |
| 447 | 33988 No approved | | | PUTNAM, T.R. | 101 |
| 447 | 34111 No approved | | | PUTNAM, T.R. | 105 |
| 447 | 34182 No approved | 7B W-3X on | 08575 file | PUTNAM, T.R. | 108 |
| 447 | 34184 No approved | | | PUTNAM, T.R. | 111 |
| | 35499 No approved | | | COMEBACK LEASE | 1 |
| 447 | 35528 No approved | | | PUTNAM, T.R. | 1.N |
| 447 | 35652 No approved | | | COMEBACK LEASE | 3 |
| | 35727 No approved | | 27330 file | COMEBACK LEASE | 4 |
| | 36095 No approved | | 29287 file | PUTNAM, JOE | 103 |
| | 36096 No approved | | | PUTNAM, JOE | 203 |
| | 36097 No approved | | 29287 file | PUTNAM, JOE | 303 |

Docket No. 20-0305828 Exhibit A

| API | Number Di | strict | ID Number | Lease Name | Well Number |
|-----|----------------------|---------------|---------------|---------------|-------------|
| 447 | 36098 No approved | | | PUTNAM, JOE | 403 |
| 447 | 36099 No approved | | | PUTNAM, JOE | 503 |
| 447 | 36100 No approved | | | PUTNAM, JOE | 603 |
| 447 | 36110 No approved | | | PUTNAM, JOE | 703 |
| 447 | 36115 No approved | | | PUTNAM, J. C. | 40 |
| 447 | 36116 No approved | | | PUTNAM, J. C. | 41 |
| 447 | 80906 No approved | | | PUTNAM, T.R. | 2 |
| 447 | 80907 No approved | 7B W-3X on | 08575 file | PUTNAM, T.R. | 3 |
| 447 | 81530 No approved | | | PUTNAM, J. C. | 7 |
| | 81867 No approved | | | PUTNAM "A" | 8 |

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Exhibit A