### RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

**OIL & GAS DOCKET NO. 20-0306536** 

### IN RE: P-5 ORGANIZATION REPORT OF MAC 5 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. Mac 5 Operating, Llc [Operator #519562] (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 § 889.021 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 §889.021 89.030.

IT IS ORDERED that renewal of Mac 5 Operating, Llc's P-5 Organization Report is hereby **DENIED.** 

It is further ORDERED that all P-4 Certificates of Compliance issued to Mac 5 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 Mac 5 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 Mac 5 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 19, 2017.)

API	Number Di	strict	*	ID Number	Lease Name		Well Number
065	00039 No approved				SCHAFER RANCH	EAST	244W
065	02828 No approved	10 W-3X	on	06568 file	SCHAFER RANCH	EAST	49
065	02835 No approved				SCHAFER RANCH	EAST	162W
065	02839 No approved				SCHAFER RANCH	EAST	195W
065	02840 No approved	10 W-3X	on	06568 file	SCHAFER RANCH	EAST	196W
065	02851 No approved				SCHAFER RANCH	EAST	156W
065	02859 No approved				SCHAFER RANCH	EAST	206W
065	02879 No approved	10 W-3X	on	06568 file	SCHAFER RANCH	EAST	180W
065	02920 No approved				SCHAFER RANCH	EAST	142
065	02929 No approved			06568 file	SCHAFER RANCH	EAST	165W
065	02932 No approved	10 W-3X	on	06568 file	SCHAFER RANCH	EAST	171W
065	02937 No approved				SCHAFER RANCH	EAST	202W
065	02938 No approved				SCHAFER RANCH	EAST	208W
065	24260 No approved				SCHAFER RANCH	EAST	264W
065	30013 Electricity No approved			disconnected	NOEL, J. L. d (certify on B	Form W-3C)	10
065	80016 Electricity No approved				MCCONNELL d (certify on B	Form W-3C)	2
065	80506 No approved	10 W-3X d	on	025733 file	MCCONNELL		7
065	81463 No approved Must resolve				SCHAFER RANCH	EAST (B)(2) approval	87W

API	Number Di	strict	ID Number	Lease Name	Well Number
065	81523 No approved	10 W-3X on	06568 file	SCHAFER RANCH EAST	176W
065	81529 No approved	10 W-3X on	06568 file	SCHAFER RANCH EAST	182W
065		ipment m	ust be remove	SCHAFER RANCH EAST ed (certify on Form W-3C)	203W
065	81581 No approved			SCHAFER RANCH EAST	240W
179	06113 No approved	10 W-3X on	03061 file	PAMPA UNIT	B503
179		must be		PAMPA UNIT d (certify on Form W-3C)	A506
179	06163 No approved		03061 file	PAMPA UNIT	910
179	06405 No approved			SULLIVAN, R.	10W
179	06544 No approved		03061 file	PAMPA UNIT	703
179	06549 No approved		03061 file	PAMPA UNIT	708
179	06644 No approved		03061 file	PAMPA UNIT	111G
179	06766 No approved		06568 file	SCHAFER RANCH EAST	69W
	06771 No approved	10 W-3X on	06568 file	SCHAFER RANCH EAST	74W
179	06776 No approved		06568 file	SCHAFER RANCH EAST	80W
179	06780 No approved			SCHAFER RANCH EAST	103W
179	06783 No approved			SCHAFER RANCH EAST	106W
179	06804 Electricity No approved			CULLER d (certify on Form W-3C)	1
179	06805 Electricity No approved	must be		CULLER d (certify on Form W-3C)	2

API	Number I	District	ID Number	Lease Name	Well Number
179	06808 Electricit No approve			CULLER d (certify on Form W-3C)	5
179	06977 No approve			SCHAFER RANCH EAST	55W
179	06978 Surface eq No approve		ust be remov	SCHAFER RANCH EAST ed (certify on Form W-3C)	56W
179	06981 No approve			SCHAFER RANCH EAST	59
179	07001 Electricit No approve	y must be		ARNOLD d (certify on Form W-3C)	3
179	07002 Electricit No approve	y must be	00339 disconnecte file	ARNOLD d (certify on Form W-3C)	4
179		y must be		ARNOLD d (certify on Form W-3C)	5
179	07004 Electricit No approve	y must be		ARNOLD d (certify on Form W-3C)	6
179	07015 Electricit No approve	y must be		MORGAN d (certify on Form W-3C)	1
179	07016 No approve		00362 file	MORGAN	2
179	07020 Electricit No approve	y must be		MORGAN d (certify on Form W-3C)	6
179	07025 No approve		145554 file	MORGAN	11
179	07037 Electricit No approve	y must be		REST 80 d (certify on Form W-3C)	6
179	07038 Electricit No approve			REST 80 d (certify on Form W-3C)	7
179	07042 No approve	10 d W-3X on	00372 file	REST 160	11

### Docket No. 20-0306536 Exhibit A

API	Number Di	strict	ID Number	Lease Name	Well Number
179	07053 No approved		00372 file	REST 160	22G
179	07087 No approved			HARRAH	4
179	07411 Surface equ No approved	ipment mu	ist be remove	SCHAFER RANCH EAST ed (certify on Form W-3C)	52W
179	07467 No approved		142719 file	PAMPA UNIT	C502G
179	07608 No approved		00339 file	ARNOLD	2G
179	07610 No approved		00339 file	ARNOLD	7G
179	No approved	W-3X on	file	MCCONNELL "B" -15 delinquency preventing 14B2	1 approval
179	30802 No approved Must resolve	W-3X on		MCCONNELL "A" (GRYPHON) -15 delinquency preventing 14B2	2 approval
179	31072 No approved	10 W-3X on	134229 file	ZWEIG	5
179	31629 No approved		06568 file	SCHAFER RANCH EAST	286
179	80685 No approved			GLENN -B-	2
179	81052 No approved		06568 file	SCHAFER RANCH EAST	140W
179	81142 No approved			SMITH, ALEX	1
179	81144 No approved		00211 file	SMITH, ALEX	3
179	81145 No approved		00211 file	SMITH, ALEX	5
179	81146 No approved		00211 file	SMITH, ALEX	6
179	81147 No approved		00211 file	SMITH, ALEX	7
	81508 No approved		00297 file	HARRAH -A-	1

API	Number Di	strict	ID Number	Lease Name	Well Number
179	81510 No approved		00297 file	HARRAH -A-	3
179	81512 No approved		00297 file	HARRAH -A-	5
179	81513 No approved		00297 file	HARRAH -A-	6
179	81516 No approved		00298 file	ARCHER	1
179	81519 No approved		00298 file	ARCHER	4
179	81525 No approved		00300 file	MCKINNEY	5
179	81526 No approved		00300 file	MCKINNEY	6
179	81527 No approved		00300 file	MCKINNEY	7
179	81528 No approved		00300 file	MCKINNEY	8
179	81529 No approved		00300 file	MCKINNEY	9
179	81530 No approved		00300 file	MCKINNEY	10
179	81531 No approved		00300 file	MCKINNEY	11
	81532 No approved		00300 file	MCKINNEY	12
179	81535 No approved		00300 file	MCKINNEY	15
179	81781 Electricity No approved			ARNOLD d (certify on Form W-3C)	1
179	81788 Electricity No approved			ARNOLD d (certify on Form W-3C)	8
179	81789 Electricity No approved		disconnected	ARNOLD d (certify on Form W-3C)	9
179	81790 Electricity No approved		disconnected	ARNOLD d (certify on Form W-3C)	10

API	Number	Dist	rict		ID Number	Lease Nam	ne			Well	Number
179	81791 Electrici No approv	ty m			disconnected	ARNOLD l (certify	on on	Form	W-3C)		11
179	81792 Electrici No approv		ust	be	00339 disconnected file		on on	Form	W-3C)		12
179	81794 Electrici No approv		ust		00339 disconnected file		on	Form	W-3C)		14
179	81795 Electrici No approv	ty m	ust	be	00339 disconnected file		on on	Form	W-3C)		15
179	81796 Electrici No approv	ty m			00339 disconnected file		on on	Form	W-3C)		16
179	81828 No approv	1 ed W			00350 file	CULLER					6
179	81844 Electrici No approv		ust	be	00362 disconnected file		on	Form	W-3C)		3
179	81845 Electrici No approv		ust	be	00362 disconnected file		on	Form	W-3C)		4
179	81846 Electrici No approv		ust		00362 disconnected file		on	Form	W-3C)		5
179	81849 Electrici No approv		ust	be	00362 disconnected file		on	Form	W-3C)		8
179		ty m	ust :	be	00362 disconnected file		on	Form	W-3C)		10
179	81853 Electrici No approv		ust :		disconnected	MORGAN (certify	on	Form	W-3C)		12
179	81854 Electrici No approv		ust 1		disconnected	MORGAN (certify	on	Form	W-3C)		13
179		ty mu	ust 1	be	00362 disconnected file		on	Form	W-3C)		14

179 83077

10

No approved W-3X on file

12

Docket No. 20-0306536

SULLIVAN, R.

00606

API	Number Di	strict	ID Number	Lease Name	Well Number
179	83521 No approved		00659 file	MCKINNEY, D. F.	2
179	83522 No approved			MCKINNEY, D. F.	4
179	83912 No approved	10 W-3X on	01540 file	HARRAH (GRYPHON)	1
179	No approved	W-3X on	file	HARRAH (GRYPHON) -15 delinquency preventing 14B2 ap	2 proval
179		10	03061		103
179	84853 No approved		03061 file	PAMPA UNIT	104
179	84854 No approved		03061 file	PAMPA UNIT	105
179	84856 No approved		03061 file	PAMPA UNIT	107
179	84861 No approved		03061 file	PAMPA UNIT	112
179	84862 No approved		03061 file	PAMPA UNIT	201
179	84863 No approved		03061 file	PAMPA UNIT	202
179	84864 No approved		03061 file	PAMPA UNIT	301
	84865 No approved		03061 file	PAMPA UNIT	302
179	84866 No approved		03061 file	PAMPA UNIT	303G
179	84868 No approved			PAMPA UNIT	305
179	84869 No approved			PAMPA UNIT	306
	84873 No approved			PAMPA UNIT	310
	84874 No approved		03061 file	PAMPA UNIT	311

API	Number D	istrict	ID Number	Lease Name	Well Number
179	84876 No approve		03061 n file	PAMPA UNIT	313
179	84880 No approve		03061 n file	PAMPA UNIT	402
179	84882 No approve		03061 n file	PAMPA UNIT	404
179	84894 No approve		03061 n file	PAMPA UNIT	416
179	84906 Electricit No approve	y must b		PAMPA UNIT ed (certify on Form W-3C)	A501
179	84907 Electricit No approve	y must b		PAMPA UNIT d (certify on Form W-3C)	A502
179	84909 Electricit No approve	y must be	03061 e disconnecte n file	PAMPA UNIT d (certify on Form W-3C)	A504
179	84910 Electricit No approve	y must be		PAMPA UNIT d (certify on Form W-3C)	A505
179	84912 Electricity No approve	10 y must bo d W-3X on	disconnecte	PAMPA UNIT d (certify on Form W-3C)	A507
179	84913 Electricity No approved	y must be		PAMPA UNIT d (certify on Form W-3C)	A508
179	84914 Electricity No approved	y must be		PAMPA UNIT d (certify on Form W-3C)	A509
179	84915 Electricity No approved	y must be		PAMPA UNIT d (certify on Form W-3C)	A510
179	84917 No approved		03061 file	PAMPA UNIT	B501
179	84918 No approved			PAMPA UNIT	B502
179	84920 No approved			PAMPA UNIT	B504
179	84922 No approved		03061 file	PAMPA UNIT	B506

API	Number Di	strict	ID Number	Lease	Name	Well Number	
179	84923 No approved		03061 file	PAMPA	UNIT	B507	
179	84928 No approved		03061 file	PAMPA	UNIT	B512	
179	84929 No approved		03061 file	PAMPA	UNIT	B513	
179	84933 No approved		03061 file	PAMPA	UNIT	C503	
179	84935 No approved		03061 file	PAMPA	UNIT	C505	
179	84981 No approved		03061 file	PAMPA	UNIT	1801	
179	84982 No approved		03061 file	PAMPA	UNIT	1802	
179	84983 No approved		03061 file	PAMPA	UNIT	1901	
179	84989 Electricity No approved	must be			UNIT tify on Form W-3C)	2003	
179	84993 No approved		03061 file	PAMPA	UNIT	6002	
179	84994 No approved		03061 file	PAMPA	UNIT	6003	
179	84997 No approved		03061 file	PAMPA	UNIT	7004	
179	84998 No approved		03061 file	PAMPA	UNIT	7005	
179	85000 No approved		03061 file	PAMPA	UNIT	7007	
179	85003 No approved		03061 file	PAMPA	UNIT	7012	
179	85004 No approved		03061 file	PAMPA	UNIT	7013	
179	85013 No approved		03061 file	PAMPA	UNIT	8009	
179	85014 No approved		03061 file	PAMPA	UNIT	8010	

API	Number Di	strict	ID Number	Lease Name	Well Number
179	85016 Electricity No approved	must be		PAMPA UNIT d (certify on Form W-3C)	8012
179	85019 No approved		03061 n file	PAMPA UNIT	9001
179	85027 No approved		03061 n file	PAMPA UNIT	9013
179	85117 No approved		03392 n file	MCCONNELL "A" (GRYPHON)	1
179	85315 No approved		114697 n file	ZWEIG	3
179	85682 No approved	10 N-3X or	06568 n file	SCHAFER RANCH EAST	41
179	85685 Electricity No approved	must be	disconnecte	SCHAFER RANCH EAST d (certify on Form W-3C)	47
233	04410 No approved			HUBER-PRITCHARD -A-	7
233	20053 No approved		03534 file	HADLEY	103
233	30099 No approved		051382 file	HADLEY	3
233		must be		MCNUTT d (certify on Form W-3C)	1016
233	30173 No approved		053749 file	HADLEY	403
233	30182 No approved		03534 file	HADLEY	703
233	32526 No approved	10 W-3X on	149416 file	PRITCHARD	506
233	32527 No approved			MCCLOY	3067
233	32711 No approved	10 W-3X on	163238 file	WOMBLE, R	4040
233	32712 No approved		163290 file	WOMBLE, R	3040
233	32761 Electricity No approved		disconnected	PRITCHARD d (certify on Form W-3C)	606

API	Number Di	strict	ID Number	Lease Name	Well Number
233	32817 Surface equ No approved	ipment mu		CUNNINGHAM ed (certify on Form W-3C)	408
233	32837 No approved			PREALL	4065
233	80655 No approved			PRITCHARD	1
233	84214 No approved			HUBER-PRITCHARD	ıw
233	84215 No approved			HUBER-PRITCHARD	2
233	84216 No approved			HUBER-PRITCHARD	3
233	84219 No approved			HUBER-PRITCHARD	6
233	84221 No approved			HUBER-PRITCHARD	8
233		ipment mu	st be remove	HUBER-PRITCHARD ed (certify on Form W-3C)	9
341	30174 No approved			BIVINS	3313
341	30203 No approved		07025 file	BIVINS	3316
341	81027 No approved			BEARD	5