

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0307853

IN RE: P-5 ORGANIZATION REPORT OF WALLIS ENERGY, INC.

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. Wallis Energy, Inc. [Operator #893997] (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 June 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 Wallis Energy, Inc.'s P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that Wallis Energy, Inc. 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 Wallis Energy, Inc. 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 December 5, 2017.)

API No.	Dist	ID No.	Lease Name	Well No.
007 00262	04	224998	FULTON BEACH/ C SAND/UNIT	4
			No approved W-3X on file	
007 00263	04	13568	SPENCER-KENT-CRANE	3A
			No approved W-3X on file	
			Must resolve Field Operations H-15 delinquency preventing 14(b)(2) approval	
007 00294	04	13568	SPENCER-KENT-CRANE	2A
			No approved W-3X on file	
007 30824	04	13568	SPENCER-KENT-CRANE	4A
			No approved W-3X on file	
013 31378	01	13993	NIXON-DILLARD	1
			No approved W-3X on file	
025 30260	02	140098	SINCLAIR HUNT	1
			No approved W-3X on file	
			Must resolve Field Operations H-15 delinquency preventing 14(b)(2) approval	
025 31440	02	07840	HARTZENDORF EST.	1
			No approved W-3X on file	
025 33177	02	08734	NORMANNA TOWNSITE UNIT II	1
			No approved W-3X on file	
047 31500	04	133959	STATE-MARSHALL	45 U
			No approved W-3X on file	
047 31500	04	125690	STATE-MARSHALL	45 L
			No approved W-3X on file	
123 31161	02	093829	SMITH, MARY LEE	1
			No approved W-3X on file	
			Must resolve Field Operations H-15 delinquency preventing 14(b)(2) approval	
131 10879	04	056752	WORDEN-DROUGHT	1
			No approved W-3X on file	
131 11130	04	045236	WORDEN - DROUGHT	9
			No approved W-3X on file	
131 20120	04	041674	WORDEN - DROUGHT	8
			No approved W-3X on file	
215 01853	04	037087	DE RUEDA, EULOGIO	2
			No approved W-3X on file	
215 80000	04	010283	STATE OF TEXAS TR. 11	1
			No approved W-3X on file	

Docket No. 20-0307853

Exhibit A

API No.	Dist	ID No.	Lease Name	Well No.
297 32752	02	116318	MCNEILL, ANNA MAY	1
			No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14(b)(2) approval	
297 33662	02	07934	MCNEILL	1 B
			No approved W-3X on file	
297 34126	02	07988	RIPPSTEIN	1
			No approved W-3X on file	
355 33075	04	170448	PETERSON	1
			Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	
391 02620	02	063138	LAMBERT, J. A.	8
			No approved W-3X on file	
391 02947	02	066561	LAMBERT, J. A.	9
			No approved W-3X on file	
391 02953	02	061074	HYNES, PHIL	A 1
			No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14(b)(2) approval	
391 03102	04	134807	ROCHE, K.D. "E"	10
			No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14(b)(2) approval	
409 01974	04	04663	WILLIAMS, JAMES P.	2 U
			No approved W-3X on file	
409 01974	04	04651	WILLIAMS, JAMES P.	2 L
			No approved W-3X on file	
409 01976	04	120991	WILLIAMS, JAMES P.	4
			No approved W-3X on file	
409 31530	04	09978	DIX, THOMAS	1
			No approved W-3X on file	
409 32853	04	02957	SIMS	11
			Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	
409 32858	04	13515	SIMS	12
			No approved W-3X on file	
409 80038	04	036337	SIMS. A. LOY	5
			No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14(b)(2) approval	

Docket No. 20-0307853

Exhibit A

API No.	Dist	ID No.	Lease Name	Well No.
409 80534	04	02957	SIMS	1
		No approved W-3X on file		
409 80536	04	02957	SIMS	6
		No approved W-3X on file		
409 80538	04	02957	SIMS	10
		No approved W-3X on file		
409 80558	04	02980	SIMS	8
		No approved W-3X on file		
409 81490	04	02957	SIMS	3
		No approved W-3X on file		
427 30318	04	117448	GARZA, RUBEN	1
		No approved W-3X on file		
427 32776	04	157438	GUERRA MINERAL TRUST (NCT-III)	6
		No approved W-3X on file		
427 33026	04	167441	GUERRA MINERAL TRUST "NCT III"	9
		No approved W-3X on file		
427 33026	04	170472	GUERRA MINERAL TRUST "NCT III"	9
		No approved W-3X on file		
469 30282	02	058702	JACOBS, CHARLES	1
		No approved W-3X on file		
		Must resolve Field Operations H-15 failure preventing 14(b)(2) approval		
479 30619	04	058636	PEREZ, AMADO	4
		No approved W-3X on file		
479 30660	04	058654	PEREZ, AMADO	7
		No approved W-3X on file		

Docket No. 20-0307853

Exhibit A