

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 20-0309013**

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**IN RE: P-5 ORGANIZATION REPORT OF BUSTAMANTE OIL COMPANY**

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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. Bustamante Oil Company [Operator #112685] (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 August 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 Bustamante Oil Company's P-5 Organization Report is hereby **DENIED**.

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

**It is further ORDERED** that Bustamante Oil Company 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 Bustamante Oil Company 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 February 13, 2018.)

API No.	Dist	ID No.	Lease Name	Well No.
049 02265 No approved W-3X on file	7B	017404	SHELTON, W. F. & CLEONE	1
049 05208 No approved W-3X on file	7B	030596	HENDERSON, LEWIS & EMMA	1
049 31188 No approved W-3X on file	7B	070493	SHELTON	1
049 31534 No approved W-3X on file	7B	074820	SHELTON	4
049 35803 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7B	204275	CONNAWAY, DELBERT & JOHN	14
049 36138 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	31819	DELBERT CONNAWAY 'A'	15
105 40267 No approved W-3X on file Must resolve lack of Good Faith Claim issue preventing 14(b)(2) approval	7C	16573	GRAHAM RANCH	2
105 40567 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file Must resolve lack of Good Faith Claim issue preventing 14(b)(2) approval	7C	16573	GRAHAM RANCH	1
105 40802 No approved W-3X on file Must resolve lack of Good Faith Claim issue preventing 14(b)(2) approval	7C	16573	GRAHAM RANCH	3A
253 34844 No approved W-3X on file	7B	29836	BELL-BUMPASS	1
353 00251 No approved W-3X on file	7B	06998	COCHRAN EST.	1
353 00253 No approved W-3X on file	7B	05766	COCHRAN EST.	3A
353 00254 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7B	06998	COCHRAN EST.	4
353 31705 No approved W-3X on file	7B	05766	COCHRAN EST.	1A

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**Exhibit A**

353 31745	7B	190199	COCHRAN ESTATE	2A
No approved W-3X on file				
353 31750	7B	22530	JORDAN RANCH "J"	1
Production fluids must be purged (certify on Form W-3C)				
No approved W-3X on file				
353 31957	7B	06998	COCHRAN EST.	15
No approved W-3X on file				
353 32472	7B	28105	COCHRAN, J. H. "A"	11
No approved W-3X on file				
353 32666	7B	28732	BROWN, ARNOLD M.	1
No approved W-3X on file				
399 34035	7B	25406	WAGMAN	2
No approved W-3X on file				
441 01456	7B	018510	GALLE	1
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
461 02123	7C	054328	UPTON -K- FEE	1 U
(Multi)	7C	04053	UPTON -K- FEE	1 L
No approved W-3X on file				
461 10012	7C	054329	UPTON -K- FEE	2
No approved W-3X on file				
497 34737	09	189044	KEW-DAVIS	1
No approved W-3X on file				
505 34316	04	184854	KINNALLY-CARTER-RICHARDSON	1
Production fluids must be purged (certify on Form W-3C)				
No approved W-3X on file				
505 36128	04	246911	VELA, J.	1
Production fluids must be purged (certify on Form W-3C)				
No approved W-3X on file				

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# Exhibit A