RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL & GAS DOCKET NO. 20-0309703

IN RE: P-5 ORGANIZATION REPORT OF VAQUERO OPERATING

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. Vaquero Operating [Operator #882776] (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 September 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 Vaquero Operating's P-5 Organization Report is hereby DENIED.

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

It is further ORDERED that Vaquero Operating 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 Vaquero Operating 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 100 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 March 20, 2018.)

API	Number Dis	strict	ID Number	Lease Name	Well Numbe
047	00651 No approved			SCOTT & HOPPER	15 T
047	00651 No approved			SCOTT & HOPPER	15 C
047	00696 No approved			SCOTT & HOPPER	13
047	30290 No approved			SCOTT & HOPPER	21
047	31750 No approved			AMADO TRAD GAS UNIT #1	1 D
047	31750 No approved			AMADO TRAD GAS UNIT #1	1 F
047	31760 No approved			SCOTT & HOPPER	52 F
047	31760 No approved			SCOTT & HOPPER	52D
047	31787 No approved			SCOTT & HOPPER G.U. 1	5
047	31806 No approved			SCOTT & HOPPER G.U. 1	6
047	31930 No approved			SCOTT & HOPPER G.U. 1	7
047	32032 No approved	04 W-3X on	193837 file	SCOTT & HOPPER 'A'	2
047	32047 No approved			SCOTT & HOPPER 'A'	3
131	38513 Production : No approved	04 fluids m W-3X on	ust be purge	GEOGHEGAN, DENNIS d (certify on Form W-3C)	1
131	38681 Production : No approved	04 fluids m W-3X on	200308 ust be purge file	MEW d (certify on Form W-3C)	2
157	30354 Must resolve	03 e Field	208026 Operations H	FOSTER FARMS, INC -15 delinquency preventing 14B2 ap	1 proval
239	32812 Surface equ: No approved	02 ipment m W-3X on	151108 ust be remov file	FRANEK ed (certify on Form W-3C)	1
261	30043 No approved	04 W-3X on	176452 file	KENEDY RANCH "A"	6

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Exhibit A

API	Number Di	strict	ID Number	Lease Name	9		Well	Numbe
261	30043 No approved		178898 file	KENEDY RAM	ICH "A"			6
285	30154 No approved		129016 file	BORCHERS,	WILLIAM			1
285	30165 No approved		092847 file	BORCHERS,	MAILLIW			4
285	30171 Electricity No approved	must be	056006 disconnected file	BORCHERS, d (certify	WILLIAM on Form	Ñ-3C)		6 T
285	30171 Electricity No approved	must be	061353 disconnected file			W-3C)		6 C
285	30188 No approved		171208 file	BORCHERS,	WILLIAM 2	Α.		10
285	30188 No approved		177981 file	BORCHERS,	WILLIAM-	A		10
285	30193 No approved		140967 file	BORCHERS	, WILLIAM			11
285	30206 No approved		129012 file	BORCHERS,	WILLIAMS			13
285	30218 No approved		135593 file	BORCHERS,	WILLIAM			14
285	30415 No approved		070406 file	BORCHERS,	WILLIAM			15 C
285	30415 No approved		143102 file	BORCHERS				15
285	30415 No approved		148640 file	BORCHERS,	WILLIAM			15
285	30415 No approved		231275 file	BORCHERS,	WILLIAM			15
285	30571 No approved		129027 file	BORCHERS,	WILLIAM			21
285	31614 No approved		149545 file	BORCHERS,	WILLIAM			29
285	31614 No approved		232804 file	BORCHERS,	WILLIAM			29
285	32039 Electricity No approved	must be	227333 disconnected file	BORCHERS, d (certify	WILLIAM on Form	W-3C)		31

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API Number District ID Number Lease Name Well Number Electricity must be disconnected (certify on Form W-3C) 285 32063							
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No approved W-3X on file 297 33342	285	Electricit	ty must be	disconnected	BORCHERS, WILLIAM d (certify on Form W-3C)		32
No approved W-3X on file 297 33826 02 06820 PARKER Electricity must be disconnected (certify on Form W-3C) 1 297 33873 02 08082 HARKINS-LAY Electricity must be No approved W-3X on file 297 34146 02 02351 LYNE, R. C. 10 10 10 10 10 10 10 1	297				HARKINS		1
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No approved W-3X on file 479 31978	451				CLARK, L. T. "F"		3
No approved W-3X on file 479 32061	479				BRISCOE, TRT, 30, BLOCK 2		2
No approved W-3X on file 479 32301	479				BRISCOE TRACT 23 BLOCK 2		4
No approved W-3X on file 479 32443	479				BRISCOE TRACT 22 BLOCK 3		5
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Exhibit A

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VAQUERO OPERATING

479 39217

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No approved W-3X on file

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