

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0314757

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 §§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 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 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 September 18, 2018.)

API Number	District	ID Number	Lease Name	Well Number
065 00039 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	244W
065 02835 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	162W
065 02839 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	195W
065 02840 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	196W
065 02851 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	156W
065 02859 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	206W
065 02879 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	180W
065 02920 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	142
065 02929 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	165W
065 02932 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	171W
065 02937 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	202W
065 02938 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	208W
065 24260 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	264W
065 30013 No approved	10 W-3X on file	00085	NOEL, J. L.	10
065 80016 No approved	10 W-3X on file	023029	MCCONNELL	2
065 80506 No approved	10 W-3X on file	025733	MCCONNELL	7
065 81523 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	176W
065 81529 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	182W
065 81549 No approved	10 W-3X on file	06568	SCHAFFER RANCH EAST	203W

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
065 81581 No approved W-3X on file	10	06568	SCHAFFER RANCH EAST	240W
179 06113 No approved W-3X on file	10	03061	PAMPA UNIT	B503
179 06133 No approved W-3X on file	10	03061	PAMPA UNIT	A506
179 06163 No approved W-3X on file	10	03061	PAMPA UNIT	910
179 06405 No approved W-3X on file	10	00606	SULLIVAN, R.	10W
179 06544 No approved W-3X on file	10	03061	PAMPA UNIT	703
179 06549 No approved W-3X on file	10	03061	PAMPA UNIT	708
179 06644 No approved W-3X on file	10	03061	PAMPA UNIT	111G
179 06766 No approved W-3X on file	10	06568	SCHAFFER RANCH EAST	69W
179 06771 No approved W-3X on file	10	06568	SCHAFFER RANCH EAST	74W
179 06776 No approved W-3X on file	10	06568	SCHAFFER RANCH EAST	80W
179 06780 No approved W-3X on file	10	06568	SCHAFFER RANCH EAST	103W
179 06783 No approved W-3X on file	10	06568	SCHAFFER RANCH EAST	106W
179 06805 No approved W-3X on file	10	00350	CULLER	2
179 06808 No approved W-3X on file	10	00350	CULLER	5
179 06977 No approved W-3X on file	10	06568	SCHAFFER RANCH EAST	55W
179 06978 No approved W-3X on file	10	06568	SCHAFFER RANCH EAST	56W
179 06981 No approved W-3X on file	10	06568	SCHAFFER RANCH EAST	59
179 07001 No approved W-3X on file	10	00339	ARNOLD	3

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API Number	District	ID Number	Lease Name	Well Numbe
179 07002	10	00339	ARNOLD	4
No approved W-3X on file				
179 07003	10	00339	ARNOLD	5
No approved W-3X on file				
179 07004	10	00339	ARNOLD	6
No approved W-3X on file				
179 07015	10	00362	MORGAN	1
No approved W-3X on file				
179 07016	10	00362	MORGAN	2
No approved W-3X on file				
179 07020	10	00362	MORGAN	6
No approved W-3X on file				
179 07025	10	145554	MORGAN	11
No approved W-3X on file				
179 07037	10	06868	REST 80	6
No approved W-3X on file				
179 07038	10	06868	REST 80	7
No approved W-3X on file				
179 07042	10	00372	REST 160	11
No approved W-3X on file				
179 07053	10	00372	REST 160	22G
No approved W-3X on file				
179 07087	10	00394	HARRAH	4
No approved W-3X on file				
179 07411	10	06568	SCHAFFER RANCH EAST	52W
No approved W-3X on file				
179 07467	10	142719	PAMPA UNIT	C502G
No approved W-3X on file				
179 07608	10	00339	ARNOLD	2G
No approved W-3X on file				
179 07610	10	00339	ARNOLD	7G
No approved W-3X on file				
179 30674	10	04431	MCCONNELL "B"	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 30802	10	03392	MCCONNELL "A" (GRYPHON)	2
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				

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API Number	District	ID Number	Lease Name	Well Number
179 31072 No approved W-3X on file	10	134229	ZWEIG	5
179 31629 No approved W-3X on file	10	06568	SCHAFFER RANCH EAST	286
179 80685 No approved W-3X on file	10	026520	GLENN -B-	2
179 81052 No approved W-3X on file	10	06568	SCHAFFER RANCH EAST	140W
179 81142 No approved W-3X on file	10	00211	SMITH, ALEX	1
179 81144 No approved W-3X on file	10	00211	SMITH, ALEX	3
179 81145 No approved W-3X on file	10	00211	SMITH, ALEX	5
179 81146 No approved W-3X on file	10	00211	SMITH, ALEX	6
179 81147 No approved W-3X on file	10	00211	SMITH, ALEX	7
179 81508 No approved W-3X on file	10	00297	HARRAH -A-	1
179 81510 No approved W-3X on file	10	00297	HARRAH -A-	3
179 81512 No approved W-3X on file	10	00297	HARRAH -A-	5
179 81513 No approved W-3X on file	10	00297	HARRAH -A-	6
179 81516 No approved W-3X on file	10	00298	ARCHER	1
179 81519 No approved W-3X on file	10	00298	ARCHER	4
179 81525 No approved W-3X on file	10	00300	MCKINNEY	5
179 81526 No approved W-3X on file	10	00300	MCKINNEY	6
179 81527 No approved W-3X on file	10	00300	MCKINNEY	7
179 81528 No approved W-3X on file	10	00300	MCKINNEY	8

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API Number	District	ID Number	Lease Name	Well Number
179 81529 No approved	10	00300	MCKINNEY	9
179 81530 No approved	10	00300	MCKINNEY	10
179 81531 No approved	10	00300	MCKINNEY	11
179 81532 No approved	10	00300	MCKINNEY	12
179 81535 No approved	10	00300	MCKINNEY	15
179 81781 No approved	10	00339	ARNOLD	1
179 81788 No approved	10	00339	ARNOLD	8
179 81789 No approved	10	00339	ARNOLD	9
179 81790 No approved	10	00339	ARNOLD	10
179 81791 No approved	10	00339	ARNOLD	11
179 81792 No approved	10	00339	ARNOLD	12
179 81794 No approved	10	00339	ARNOLD	14
179 81795 No approved	10	00339	ARNOLD	15
179 81796 No approved	10	00339	ARNOLD	16
179 81828 No approved	10	00350	CULLER	6
179 81844 No approved	10	00362	MORGAN	3
179 81845 No approved	10	00362	MORGAN	4
179 81846 No approved	10	00362	MORGAN	5
179 81849 No approved	10	00362	MORGAN	8

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API Number	District	ID Number	Lease Name	Well Number
179 81851 No approved W-3X on file	10	00362	MORGAN	10
179 81853 No approved W-3X on file	10	00362	MORGAN	12
179 81854 No approved W-3X on file	10	00362	MORGAN	13
179 81855 No approved W-3X on file	10	00362	MORGAN	14
179 81856 No approved W-3X on file	10	00362	MORGAN	15
179 81857 No approved W-3X on file	10	00362	MORGAN	16
179 81867 No approved W-3X on file	10	06868	REST 80	3
179 81868 No approved W-3X on file	10	06868	REST 80	4
179 81872 No approved W-3X on file	10	06868	REST 80	8
179 81877 No approved W-3X on file	10	06868	REST 80	13
179 82084 No approved W-3X on file	10	00394	HARRAH	2
179 82085 No approved W-3X on file	10	00394	HARRAH	3
179 82088 No approved W-3X on file	10	00394	HARRAH	6
179 82090 No approved W-3X on file	10	00394	HARRAH	8
179 82096 No approved W-3X on file	10	00394	HARRAH	14
179 82097 No approved W-3X on file	10	00394	HARRAH	15
179 83071 No approved W-3X on file	10	00606	SULLIVAN, R.	4
179 83072 No approved W-3X on file	10	00606	SULLIVAN, R.	5
179 83077 No approved W-3X on file	10	00606	SULLIVAN, R.	12

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API Number	District	ID Number	Lease Name	Well Number
179 83521 No approved W-3X on file	10	00659	MCKINNEY, D. F.	2
179 83522 No approved W-3X on file	10	00659	MCKINNEY, D. F.	4
179 83912 No approved W-3X on file	10	01540	HARRAH (GRYPHON)	1
179 83913 No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	10	01540	HARRAH (GRYPHON)	2
179 84852 No approved W-3X on file	10	03061	PAMPA UNIT	103
179 84853 No approved W-3X on file	10	03061	PAMPA UNIT	104
179 84854 No approved W-3X on file	10	03061	PAMPA UNIT	105
179 84856 No approved W-3X on file	10	03061	PAMPA UNIT	107
179 84861 No approved W-3X on file	10	03061	PAMPA UNIT	112
179 84862 No approved W-3X on file	10	03061	PAMPA UNIT	201
179 84863 No approved W-3X on file	10	03061	PAMPA UNIT	202
179 84864 No approved W-3X on file	10	03061	PAMPA UNIT	301
179 84865 No approved W-3X on file	10	03061	PAMPA UNIT	302
179 84866 No approved W-3X on file	10	03061	PAMPA UNIT	303G
179 84868 No approved W-3X on file	10	03061	PAMPA UNIT	305
179 84869 No approved W-3X on file	10	03061	PAMPA UNIT	306
179 84873 No approved W-3X on file	10	03061	PAMPA UNIT	310
179 84874 No approved W-3X on file	10	03061	PAMPA UNIT	311

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API Number	District	ID Number	Lease Name	Well Number
179 84876 No approved W-3X on file	10	03061	PAMPA UNIT	313
179 84880 No approved W-3X on file	10	03061	PAMPA UNIT	402
179 84882 No approved W-3X on file	10	03061	PAMPA UNIT	404
179 84894 No approved W-3X on file	10	03061	PAMPA UNIT	416
179 84906 No approved W-3X on file	10	03061	PAMPA UNIT	A501
179 84907 No approved W-3X on file	10	03061	PAMPA UNIT	A502
179 84909 No approved W-3X on file	10	03061	PAMPA UNIT	A504
179 84910 No approved W-3X on file	10	03061	PAMPA UNIT	A505
179 84912 No approved W-3X on file	10	03061	PAMPA UNIT	A507
179 84913 No approved W-3X on file	10	03061	PAMPA UNIT	A508
179 84914 No approved W-3X on file	10	03061	PAMPA UNIT	A509
179 84915 No approved W-3X on file	10	03061	PAMPA UNIT	A510
179 84917 No approved W-3X on file	10	03061	PAMPA UNIT	B501
179 84918 No approved W-3X on file	10	03061	PAMPA UNIT	B502
179 84920 No approved W-3X on file	10	03061	PAMPA UNIT	B504
179 84922 No approved W-3X on file	10	03061	PAMPA UNIT	B506
179 84923 No approved W-3X on file	10	03061	PAMPA UNIT	B507
179 84928 No approved W-3X on file	10	03061	PAMPA UNIT	B512
179 84929 No approved W-3X on file	10	03061	PAMPA UNIT	B513

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API Number	District	ID Number	Lease Name	Well Number
179 84933 No approved W-3X on file	10	03061	PAMPA UNIT	C503
179 84935 No approved W-3X on file	10	03061	PAMPA UNIT	C505
179 84981 No approved W-3X on file	10	03061	PAMPA UNIT	1801
179 84982 No approved W-3X on file	10	03061	PAMPA UNIT	1802
179 84983 No approved W-3X on file	10	03061	PAMPA UNIT	1901
179 84989 No approved W-3X on file	10	03061	PAMPA UNIT	2003
179 84993 No approved W-3X on file	10	03061	PAMPA UNIT	6002
179 84994 No approved W-3X on file	10	03061	PAMPA UNIT	6003
179 84997 No approved W-3X on file	10	03061	PAMPA UNIT	7004
179 84998 No approved W-3X on file	10	03061	PAMPA UNIT	7005
179 85000 No approved W-3X on file	10	03061	PAMPA UNIT	7007
179 85003 No approved W-3X on file	10	03061	PAMPA UNIT	7012
179 85004 No approved W-3X on file	10	03061	PAMPA UNIT	7013
179 85013 No approved W-3X on file	10	03061	PAMPA UNIT	8009
179 85014 No approved W-3X on file	10	03061	PAMPA UNIT	8010
179 85016 No approved W-3X on file	10	03061	PAMPA UNIT	8012
179 85019 No approved W-3X on file	10	03061	PAMPA UNIT	9001
179 85027 No approved W-3X on file	10	03061	PAMPA UNIT	9013
179 85117 No approved W-3X on file	10	03392	MCCONNELL "A" (GRYPHON)	1

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API Number	District	ID Number	Lease Name	Well Number
179 85315 No approved W-3X on file	10	114697	ZWEIG	3
179 85682 No approved W-3X on file	10	06568	SCHAFFER RANCH EAST	41
233 04410 No approved W-3X on file	10	01744	HUBER-PRITCHARD -A-	7
233 20053 No approved W-3X on file	10	03534	HADLEY	103
233 30099 No approved W-3X on file	10	051382	HADLEY	3
233 30173 No approved W-3X on file	10	053749	HADLEY	403
233 30182 No approved W-3X on file	10	03534	HADLEY	703
233 32526 No approved W-3X on file	10	149416	PRITCHARD	506
233 32527 No approved W-3X on file	10	148046	MCCLOY	3067
233 32711 No approved W-3X on file	10	163238	WOMBLE, R	4040
233 32712 No approved W-3X on file	10	163290	WOMBLE, R	3040
233 32761 No approved W-3X on file	10	169416	PRITCHARD	606
233 32817 No approved W-3X on file	10	171568	CUNNINGHAM	408
233 32837 No approved W-3X on file	10	172210	PREALL	4065
233 80655 No approved W-3X on file	10	043057	PRITCHARD	1
233 84214 No approved W-3X on file	10	01590	HUBER-PRITCHARD	1W
233 84215 No approved W-3X on file	10	01590	HUBER-PRITCHARD	2
233 84216 No approved W-3X on file	10	01590	HUBER-PRITCHARD	3
233 84219 No approved W-3X on file	10	01590	HUBER-PRITCHARD	6

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API Number	District	ID Number	Lease Name	Well Number
233 84221 No approved W-3X on file	10	01590	HUBER-PRITCHARD	8
233 84222 No approved W-3X on file	10	01590	HUBER-PRITCHARD	9
341 30174 No approved W-3X on file	10	07025	BIVINS	3313
341 30203 No approved W-3X on file	10	07025	BIVINS	3316
341 81027 No approved W-3X on file	10	025685	BEARD	5

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