

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0316397

IN RE: P-5 ORGANIZATION REPORT OF DARTEX ENERGY CORPORATION

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. Dartex Energy Corporation [Operator #201208] (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 Dartex Energy Corporation's P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that Dartex Energy Corporation 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 Dartex Energy Corporation 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 December 11, 2018.)

API Number	District	ID Number	Lease Name	Well Number
025 00315 No approved W-3X on file	02	05819	YOUNG, S.E. NCT-1	26
025 00320 No approved W-3X on file	02	05934	YOUNG, S.E. NCT-2	4
025 00768 No approved W-3X on file	02	118289	PAGE, C. E.	13
025 00786 No approved W-3X on file	02	06009	MCKENZIE, DIRKS	1
025 00873 No approved W-3X on file	02	00411	BASINGER, C. W.	2
025 00874 No approved W-3X on file	02	00411	BASINGER, C. W.	4
025 00876 No approved W-3X on file	02	00411	BASINGER, C. W.	6
025 31322 No approved W-3X on file	02	05947	YOUNG, S.E. NCT-2	6
123 00628 No approved W-3X on file	02	00381	DUDERSTADT, ALOIS	1
123 00629 No approved W-3X on file	02	00381	DUDERSTADT, ALOIS	2
123 31734 No approved W-3X on file	02	08126	KRUEGER UNIT	1
123 31823 No approved W-3X on file	02	170612	MUSSELMAN RANCHES, INC.	1
123 31833 No approved W-3X on file	02	170197	CARROLL-MCMANUS 2	2
123 31864 No approved W-3X on file	02	176365	MATTHEWS	2
123 32067 No approved W-3X on file	02	09087	SAVANNAH RANCH	1
131 38273 No approved W-3X on file	04	204619	DRISCOLL FOUNDATION	2SD
187 33313 No approved W-3X on file	01	12448	BLUMBERG	1
187 33351 No approved W-3X on file	01	13027	BOOTH	1
239 33336 No approved W-3X on file	02	216081	MCDOWELL	2

Docket No. 20-0316397

Exhibit A

API Number	District	ID Number	Lease Name	Well Numbe
285 32743 No approved	02	176015	CARROLL-MCMANUS	4
351 00294 No approved	03	20745	QUINN, B.E. ET AL 3	4
351 00295 No approved	03	20745	QUINN, B.E. ET AL 3	1
351 00298 No approved	03	23494	QUINN, B. E. ETAL 3	3
351 00299 No approved	03	20745	QUINN, B.E. ET AL 3	2
351 30496 No approved	03	04723	HARTBURG LUMBER CO., ETAL	8
351 30499 No approved	03	01711	QUINN, B. E., ETAL #3	9
351 30502 No approved	03	01711	QUINN, B. E., ETAL #3	10
351 30503 No approved	03	01711	QUINN, B. E., ETAL #3	12
351 30505 No approved	03	01711	QUINN, B. E., ETAL #3	14
351 30507 No approved	03	04723	HARTBURG LUMBER CO., ETAL	10
351 30508 No approved	03	04723	HARTBURG LUMBER CO., ETAL	12
351 30514 No approved	03	137438	QUINN, B.E. ET AL 3	15
351 30522 No approved	03	23028	HARTBURG	3
351 30722 No approved	03	192221	HARTBURG 4	1

Docket No. 20-0316397

Exhibit A