

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 20-0317606**

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**IN RE: P-5 ORGANIZATION REPORT OF CHISOS, LTD.**

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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. Chisos, Ltd. [Operator #149421] (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 Chisos, Ltd.'s P-5 Organization Report is hereby **DENIED**.

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

**It is further ORDERED** that Chisos, Ltd. 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 Chisos, Ltd. 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 February 5, 2019.)

API Number	District	ID Number	Lease Name	Well Number
239 01135 No approved W-3X on file	02	04778	MAURBRO FIELD /MARG./ UNIT #1	1307
239 01139 No approved W-3X on file	02	04778	MAURBRO FIELD /MARG./ UNIT #1	1311
239 01190 No approved W-3X on file	02	04778	MAURBRO FIELD /MARG./ UNIT #1	1402
239 01194 No approved W-3X on file	02	159444	MAURBRO FIELD/MARG/UNIT NO.1	1406
239 01279 No approved W-3X on file	02	04778	MAURBRO FIELD /MARG./ UNIT #1	902
239 03529 No approved W-3X on file	02	254064	SILLIMAN GAS UNIT	12 H
239 03563 No approved W-3X on file	02	04027	TUNISON, F. V., NCT-1	19 H
239 03563 No approved W-3X on file	02	096099	TUNISON, F. V. NCT-1	19F
239 03605 No approved W-3X on file	02	04027	TUNISON, F. V., NCT-1	22 F
239 03605 No approved W-3X on file	02	092873	TUNISON, F.V. NCT-1	22 H
239 03605 No approved W-3X on file	02	181982	TUNISON, F. V. NCT-1	22F
239 03606 No approved W-3X on file	02	04274	BRANCH, MAGGIE	29 F
239 03606 No approved W-3X on file	02	04043	BRANCH, MAGGIE	29 H
239 03606 No approved W-3X on file	02	10970	BRANCH, MAGGIE	29 D
239 03797 No approved W-3X on file	02	04778	MAURBRO FIELD /MARG./ UNIT #1	1414
239 30051 No approved W-3X on file	02	115989	M L & I GAS UNIT	20 F
239 30051 No approved W-3X on file	02	07818	M.L. & I. CO.	20H
239 30239 No approved W-3X on file	02	04767	M. L. & I. CO.	27 H
239 30239 No approved W-3X on file	02	04533	M. L. & I CO.	27 F

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**Exhibit A**

API Number	District	ID Number	Lease Name	Well Number
239 30246 No approved W-3X on file	02	08853	HULTQUIST, M	12
239 30283 No approved W-3X on file	02	093193	TUNISON, F.V. NCT-1	27
239 30306 No approved W-3X on file	02	04027	TUNISON, F. V., NCT-1	28
239 30338 No approved W-3X on file	02	220112	M & O GAS UNIT (OH8)	17
239 30339 No approved W-3X on file	02	04767	M. L. & I. CO.	30
239 30397 No approved W-3X on file	02	08821	HULTQUIST, M.	13
239 31164 No approved W-3X on file	02	162199	SILLIMAN GAS UNIT	15
239 31281 No approved W-3X on file	02	05721	BRANCH, MAGGIE	29 A
239 31940 No approved W-3X on file	02	04778	MAURBRO FIELD /MARG./ UNIT #1	1313
239 32171 No approved W-3X on file	02	04778	MAURBRO FIELD /MARG./ UNIT #1	2502
239 32176 No approved W-3X on file	02	229707	ALBERTA GAYLE	11
239 32477 No approved W-3X on file	02	131511	GROBERG, F.	1
239 32528 No approved W-3X on file	02	134904	BRANCH, MAGGIE	30
239 32556 No approved W-3X on file	02	179103	ROSS, H. (GU)	9
239 32996 No approved W-3X on file	02	170275	GAYLE, ALBERTA	12-D
239 32996 No approved W-3X on file	02	08887	MAURBRO FIELD / A. GAYLE	912-F
239 33051 No approved W-3X on file	02	08499	MAURITZ B	1
239 33177 No approved W-3X on file	02	256612	STRAUSS	24
239 33547 No approved W-3X on file	02	10865	STRAUSS	29

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
239 33607 No approved W-3X on file	02	272902	L.A. SILLIMAN	17
239 80558 No approved W-3X on file	02	04778	MAURBRO FIELD /MARG./ UNIT #1	1901
239 80743 No approved W-3X on file	02	03362	HULTQUIST UNIT 0/A	5
239 80913 No approved W-3X on file	02	04778	MAURBRO FIELD /MARG./ UNIT #1	3D
321 30178 No approved W-3X on file	03	178544	MATL-TRULL -H- SAND UNIT	2
321 32199 No approved W-3X on file	03	235068	MATL	1

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**Exhibit A**