

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 20-0318558**

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**IN RE: P-5 ORGANIZATION REPORT OF 7S OIL & GAS, LLC**

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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. 7S Oil & Gas, LLC [Operator #954992] (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 7S Oil & Gas, LLC's P-5 Organization Report is hereby **DENIED**.

**It is further ORDERED** that all P-4 Certificates of Compliance issued to 7S Oil & Gas, LLC as operator of record are hereby **CANCELLED** and all related pipeline or other carrier connections are hereby **SEVERED**.

**It is further ORDERED** that 7S Oil & Gas, 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 7S Oil & Gas, 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 March 26, 2019)

API Number	District	ID Number	Lease Name	Well Number
109 00376	08	17343	PREWIT, BILLIE	1
No approved W-3X on file				
109 31373	08	17343	PREWIT, BILLIE	4
No approved W-3X on file				
115 30507	8A	61619	LATHAM	1
No approved W-3X on file				
169 32716	8A	68416	4JK	3301
No approved W-3X on file				
169 32865	8A	68416	4JK	3303
No approved W-3X on file				
219 36202	8A	67521	KLATTENHOFF	1
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
303 31574	8A	70200	PRESTON UNIT	1
Production fluids must be purged (certify on Form W-3C)				
No approved W-3X on file				
303 31577	8A	70150	RATLIFF	1
Production fluids must be purged (certify on Form W-3C)				
No approved W-3X on file				
371 00237	08	23884	PVOS "JBS"	1
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
371 00238	08	23098	PVOC "WES"	2 J
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
371 01723	08	11832	ATKINS ESTATE	1
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
371 01724	08	11832	ATKINS ESTATE	3
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
371 02893	08	31487	EATON KIM	11
No approved W-3X on file				
371 03671	08	23884	PVOS "JBS"	3
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
371 03672	08	23884	PVOS "JBS"	2
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
371 05641	08	04739	EATON	6
No approved W-3X on file				

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# Exhibit A

API Number	District	ID Number	Lease Name	Well Number
371 05643	08	04739	EATON	5
No approved W-3X on file				
371 05644	08	04739	EATON	8
No approved W-3X on file				
371 10690	08	31487	EATON KIM	12
No approved W-3X on file				
371 10691	08	31487	EATON KIM	5
No approved W-3X on file				
371 10692	08	31487	EATON KIM	6
No approved W-3X on file				
371 10693	08	31487	EATON KIM	7A
No approved W-3X on file				
371 33070	08	25998	OLIX	1
No approved W-3X on file				
Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval				
371 33077	08	25998	OLIX	2
No approved W-3X on file				
Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval				
371 33082	08	25998	OLIX	4
No approved W-3X on file				
Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval				
371 33083	08	25998	OLIX	5
No approved W-3X on file				
Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval				
371 33084	08	25998	OLIX	6
No approved W-3X on file				
Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval				
371 33136	08	26020	OLIX -A-	1
No approved W-3X on file				
Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval				
371 33138	08	26020	OLIX -A-	5
No approved W-3X on file				
Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval				
371 33140	08	26020	OLIX -A-	2
No approved W-3X on file				
Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval				
371 33141	08	26020	OLIX -A-	3
No approved W-3X on file				
Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval				
371 33142	08	26020	OLIX -A-	4
No approved W-3X on file				
Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval				

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# Exhibit A

API Number	District	ID Number	Lease Name	Well Number
371 33143	08	26020	OLIX -A-	6
			No approved W-3X on file	
			Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval	
371 33154	08	26020	OLIX -A-	18
			No approved W-3X on file	
			Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval	
371 33210	08	26020	OLIX -A-	25
			No approved W-3X on file	
			Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval	
371 33212	08	26020	OLIX -A-	27
			No approved W-3X on file	
			Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval	
371 33285	08	26415	SCHARFF, T. O. G.	2
			No approved W-3X on file	
371 33310	08	26677	BLACKMON	7
			No approved W-3X on file	
371 33332	08	26473	OLIX -B-	1
			No approved W-3X on file	
371 33334	08	26473	OLIX -B-	2
			No approved W-3X on file	
371 33335	08	26473	OLIX -B-	3
			No approved W-3X on file	
371 33336	08	26473	OLIX -B-	4
			No approved W-3X on file	
371 33458	08	26415	SCHARFF, T. O. G.	3
			No approved W-3X on file	
371 33518	08	26677	BLACKMON	2
			No approved W-3X on file	
371 33769	08	26415	SCHARFF, T. O. G.	1
			No approved W-3X on file	
371 33877	08	04739	EATON	16
			No approved W-3X on file	
371 36122	08	26473	OLIX -B-	5
			No approved W-3X on file	
371 37400	08	211673	THIGPIN D	102
			No approved W-3X on file	
371 37458	08	209692	THIGPIN E	1
			No approved W-3X on file	

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
371 37724	08	37249	THIGPIN B	204
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
371 39040	08	48337	AEGIS OLIX B	1
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval				
371 39077	08	48337	AEGIS OLIX B	3
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval				
371 39131	08	48344	RIVER OLIX A	6
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
371 39132	08	48334	RIVER OLIX A	7
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
371 39138	08	47865	AEGIS OLIX B	10
No approved W-3X on file				
371 39164	08	48333	HAB THIGPIN E	2
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
371 39178	08	48360	HAB THIGPIN C	1
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
371 81702	08	31487	EATON KIM	13
No approved W-3X on file				
371 81703	08	31487	EATON KIM	14
No approved W-3X on file				
371 82319	08	23098	PVOC "WES"	1 J
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
371 82320	08	23098	PVOC "WES"	3
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
389 00137	08	14001	THOMPSON-STATE	2
No approved W-3X on file				
389 00450	08	32619	JAMES, ET AL	1
No approved W-3X on file				
431 32776	08	155053	FOSTER, R. T. "13"	2
No approved W-3X on file				

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# Exhibit A

API Number	District	ID Number	Lease Name	Well Number
431 32776 No approved W-3X on file	08	35382	FOSTER, R. T. "13"	2
441 01459 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	28145	RICHARDS	1
441 80060 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	28145	RICHARDS	4
475 00997 No approved W-3X on file	08	24362	MASON-STATE	8
475 00998 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	08	24361	C.S.-STATE	7
475 01005 No approved W-3X on file	08	24361	C.S.-STATE	2
475 03653 No approved W-3X on file	08	07273	HALL & ROBERTS -C-	9W
475 03654 No approved W-3X on file	08	07273	HALL & ROBERTS -C-	10W
475 03717 No approved W-3X on file	08	07273	HALL & ROBERTS -C-	2
475 03718 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	08	07272	HALL & ROBERTS -A-	2
475 03718 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	08	07272	HALL & ROBERTS -A-	2 Q
475 03730 No approved W-3X on file	08	07273	HALL & ROBERTS -C-	7W
475 03754 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	08	07232	OLCOTT, D.	10
475 10799 No approved W-3X on file	08	24361	C.S.-STATE	1A
475 30869 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	08	07232	OLCOTT, D.	120
475 80521 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	08	07272	HALL & ROBERTS -A-	3

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# Exhibit A



API Number	District	ID Number	Lease Name	Well Number
475 80524	08	07273	HALL & ROBERTS -C- Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	6
475 82037	08	24362	MASON-STATE No approved W-3X on file	9

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# Exhibit A