

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0318542

IN RE: P-5 ORGANIZATION REPORT OF ARMADA RESOURCES 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. Armada Resources Corporation [Operator #030835] (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 Armada Resources Corporation's P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that Armada Resources 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 Armada Resources 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 March 26,
2019)

API Number	District	ID Number	Lease Name	Well Number
021 30427	01	19024	BATEMAN NAUERT Production fluids must be purged (certify on Form W-3C) Must resolve Field Operations H-15 delinquency preventing 14B2 approval	101
021 30463	01	19024	BATEMAN NAUERT No approved W-3X on file	102
021 30475	01	19024	BATEMAN NAUERT No approved W-3X on file	103
021 30476	01	19024	BATEMAN NAUERT Production fluids must be purged (certify on Form W-3C) No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	104
021 30477	01	19024	BATEMAN NAUERT No approved W-3X on file	105
021 30478	01	19025	BATEMAN VOIGT Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	203
021 30479	01	19025	BATEMAN VOIGT No approved W-3X on file	202
021 30522	01	19024	BATEMAN NAUERT No approved W-3X on file	106
021 30523	01	19024	BATEMAN NAUERT Production fluids must be purged (certify on Form W-3C) Must resolve Field Operations H-15 delinquency preventing 14B2 approval	107
021 30542	01	19024	BATEMAN NAUERT Electricity must be disconnected (certify on Form W-3C) Production fluids must be purged (certify on Form W-3C) No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	111
021 30543	01	19024	BATEMAN NAUERT No approved W-3X on file	110
021 30545	01	19024	BATEMAN NAUERT No approved W-3X on file	109
021 30566	01	19024	BATEMAN NAUERT No approved W-3X on file	112
021 30574	01	19025	BATEMAN VOIGT Electricity must be disconnected (certify on Form W-3C) Production fluids must be purged (certify on Form W-3C) Must resolve Field Operations H-15 delinquency preventing 14B2 approval	204
021 30579	01	19025	BATEMAN VOIGT Production fluids must be purged (certify on Form W-3C) Must resolve Field Operations H-15 delinquency preventing 14B2 approval	206

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
021 30587	01	19026	BATEMAN SEIDEL Electricity must be disconnected (certify on Form W-3C) Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	405
021 30591	01	19026	BATEMAN SEIDEL Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	401
021 30884	01	19025	BATEMAN VOIGT Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	207
021 30885	01	19025	BATEMAN VOIGT Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	208
021 30886	01	19025	BATEMAN VOIGT Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	209
021 31488	01	19025	BATEMAN VOIGT Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	205
021 31489	01	19026	BATEMAN SEIDEL Electricity must be disconnected (certify on Form W-3C) Production fluids must be purged (certify on Form W-3C)	403
021 31490	01	19026	BATEMAN SEIDEL Electricity must be disconnected (certify on Form W-3C) Production fluids must be purged (certify on Form W-3C)	404
021 31491	01	19026	BATEMAN SEIDEL Electricity must be disconnected (certify on Form W-3C) Production fluids must be purged (certify on Form W-3C)	407
021 31617	01	19024	BATEMAN NAUERT Electricity must be disconnected (certify on Form W-3C) Production fluids must be purged (certify on Form W-3C)	115
021 31619	01	19024	BATEMAN NAUERT No approved W-3X on file	114
021 31624	01	19025	BATEMAN VOIGT Electricity must be disconnected (certify on Form W-3C) Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	211

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Exhibit A