

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0318546

IN RE: P-5 ORGANIZATION REPORT OF FTC CONSULTING, 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. FTC Consulting, LLC [Operator #288423] (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 FTC Consulting, LLC's P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that FTC Consulting, 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 FTC Consulting, 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
207 80419 No approved W-3X on file	7B	09412	HENDRICKS, T. G. EST.	9
417 01234 No approved W-3X on file	7B	05950	NAIL, J. H.	7
417 01381 No approved W-3X on file	7B	05950	NAIL, J. H.	2
417 30263 No approved W-3X on file	7B	178617	NAIL RANCH	2021
417 30355 No approved W-3X on file	7B	177068	NAIL RANCH	3021
417 32336 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7B	114942	NAIL B-9	2
417 33575 No approved W-3X on file	7B	16877	NAIL, J.H. "550"	1
417 33646 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7B	16931	NAIL, J. A. B-8	2
417 33858 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7B	16931	NAIL, J. A. B-8	3
417 33866 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7B	16931	NAIL, J. A. B-8	1
417 35898 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7B	22186	NAIL B-9 (SHALLOW)	6
417 35899 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7B	21606	NAIL B-8	4
417 35900 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7B	21606	NAIL B-8	5
417 36045 No approved W-3X on file	7B	21606	NAIL B-8	7
417 36047 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7B	128587	NAIL B-8	6
417 36219 No approved W-3X on file	7B	22466	NAIL 147	2147

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
417 36306	7B	21606	NAIL B-8	8
No approved W-3X on file				
417 36346	7B	23940	NAIL 150	J 4
No approved W-3X on file				
417 36347	7B	22786	NAIL "127"	J 2
No approved W-3X on file				
417 36356	7B	25908	JIMMY-0	1
No approved W-3X on file				
417 36448	7B	22466	NAIL 147	3
No approved W-3X on file				
417 36600	7B	23386	NAIL 125 OME "B"	2B
No approved W-3X on file				
417 36602	7B	21606	NAIL B-8	10
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 failure preventing 14(B)(2) approval				
417 36608	7B	23386	NAIL 125 OME "B"	1B
No approved W-3X on file				
417 36618	7B	23218	NAIL B-7	1
No approved W-3X on file				
417 36622	7B	23386	NAIL 125 OME "B"	3
No approved W-3X on file				
417 36648	7B	23219	NAIL B-7A	2
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
417 36683	7B	23504	NAIL 126	J 13B
No approved W-3X on file				
417 36729	7B	23583	NAIL RANCH 125	J 14B
No approved W-3X on file				
417 36738	7B	23479	NAIL 127 "J-12"	J 12
No approved W-3X on file				
417 36781	7B	23583	NAIL RANCH 125	J 20
No approved W-3X on file				
417 36855	7B	23418	NAIL 150 "E"	2
No approved W-3X on file				
Must resolve Field Operations H-15 failure preventing 14(B)(2) approval				
417 36859	7B	23940	NAIL 150	3
No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
417 36878	7B	23479	NAIL 127 "J-12"	J 22
No approved W-3X on file				
417 36891	7B	25294	NAIL-125 "NORTH"	J 21B
No approved W-3X on file				
417 36928	7B	25294	NAIL-125 "NORTH"	2B
No approved W-3X on file				
417 37038	7B	23218	NAIL B-7	702
Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file				
417 37043	7B	23218	NAIL B-7	3
Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file				
417 37114	7B	23418	NAIL 150 "E"	101
No approved W-3X on file Must resolve Field Operations H-15 failure preventing 14(B)(2) approval				
417 37263	7B	23418	NAIL 150 "E"	102
No approved W-3X on file Must resolve Field Operations H-15 failure preventing 14(B)(2) approval				
417 37576	7B	26597	NAIL 150 "G"	1
No approved W-3X on file Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
417 37695	7B	26960	NAIL "93" UNIT	1
No approved W-3X on file				
417 37695	7B	29485	NAIL "93"	1
No approved W-3X on file				
417 37696	7B	29397	NAIL "92"	1
No approved W-3X on file				
417 37740	7B	148384	NAIL "99"	1S
No approved W-3X on file				
417 37789	7B	29478	NAIL RANCH "7-A"	1
Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file				
417 37820	7B	26979	NAIL "103" UNIT	3
No approved W-3X on file				
417 37843	7B	151870	NAIL "103"	1S
No approved W-3X on file				
417 37987	7B	157968	NAIL "103" B	3S
No approved W-3X on file				
417 38075	7B	161360	NAIL	142
Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
417 38078	7B	28043	NAIL 20	120A
No approved W-3X on file				
417 38085	7B	28080	NAIL "20"	120
No approved W-3X on file				
417 38295	7B	29014	NAIL RANCH	1551
No approved W-3X on file				
417 38327	7B	29014	NAIL RANCH	2551
No approved W-3X on file				
417 38364	7B	29014	NAIL RANCH	4551
No approved W-3X on file				
417 38398	7B	29014	NAIL RANCH	5551
No approved W-3X on file				
417 38465	7B	29397	NAIL "92"	2
No approved W-3X on file				
417 38485	7B	29478	NAIL RANCH "7-A"	2
No approved W-3X on file				
417 38563	7B	29783	NAIL 560	1
No approved W-3X on file				
417 38584	7B	29783	NAIL 560	2
No approved W-3X on file				
417 38610	7B	29764	NAIL RANCH "92A"	1
No approved W-3X on file				
417 38632	7B	30413	NAIL 47	1
Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file				
417 38864	7B	29783	NAIL 560	3
No approved W-3X on file				
417 39262	7B	31419	NAIL RANCH BLOCK 4	9401
No approved W-3X on file				
417 39345	7B	31427	NAIL RANCH BLOCK 2	3701
No approved W-3X on file				
417 39406	7B	31435	NAIL RANCH BLOCK 1	1802
No approved W-3X on file				
417 80720	7B	03305	NAIL, CHLOE A.	5
No approved W-3X on file				
417 82094	7B	05950	NAIL, J. H.	3
No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
417 82096 No approved	7B W-3X on file	05950	NAIL, J. H.	5
417 82097 No approved	7B W-3X on file	05950	NAIL, J. H.	6
417 83323 No approved	7B W-3X on file	10812	NAIL, JAMES H. JR.	1
417 83325 No approved	7B W-3X on file	10812	NAIL, JAMES H. JR. Must resolve UIC H-5 Test issue preventing 14(B)(2) approval	3
417 83327 No approved	7B W-3X on file	10812	NAIL, JAMES H. JR.	5
447 34378 No approved	7B W-3X on file	116922	HENDRICK "A"	1
447 34379 No approved	7B W-3X on file	118816	HENDRICK "A"	2

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Exhibit A