

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0319538

IN RE: P-5 ORGANIZATION REPORT OF DALF ENERGY 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. Dalf Energy LLC [Operator #197641] (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 November 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 Dalf Energy LLC's P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that Dalf Energy 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 Dalf Energy 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 May 7, 2019.)

API Number	District	ID Number	Lease Name	Well Number
009 31709	09	00611	NOVELLA	5
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
009 32157	09	00611	NOVELLA	2
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
009 40833	09	00611	NOVELLA	1
No approved W-3X on file				
009 41196	09	00611	NOVELLA	9
No approved W-3X on file				
009 41257	09	00611	NOVELLA	10L
No approved W-3X on file				
009 41264	09	00611	NOVELLA	11L
No approved W-3X on file				
009 41300	09	00611	NOVELLA	12L
No approved W-3X on file				
009 41758	09	00611	NOVELLA	17
No approved W-3X on file				
009 41781	09	00611	NOVELLA	16
No approved W-3X on file				
009 82441	09	00611	NOVELLA	5L
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
009 82442	09	00611	NOVELLA	8L
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
009 82443	09	00611	NOVELLA	9L
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
065 01534	10	02006	MCDOWELL, H. C., ETUX	1
No approved W-3X on file				
065 01536	10	02006	MCDOWELL, H. C., ETUX	3
No approved W-3X on file				
065 01758	10	03952	BRYAN	6
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
065 04025	10	01697	BROWN	3
No approved W-3X on file				
065 20080	10	03326	SAILOR, R. J.	7D
No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
065 31726	10	05856	CLARK	1
No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
065 31824	10	06139	MCDOWELL	29
No approved W-3X on file				
065 82309	10	03326	SAILOR, R. J.	1
No approved W-3X on file				
065 82314	10	03326	SAILOR, R. J.	6
No approved W-3X on file				
065 82316	10	03326	SAILOR, R. J.	8
No approved W-3X on file				
179 03976	10	00264	GRIFFITH-DAVIDSON	4W
No approved W-3X on file				
179 30013	10	03382	EAKIN, L. O.	1
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 30152	10	03609	ANDERSON, D. I.	1
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 30616	10	076264	MACKIE	1
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 30659	10	03609	ANDERSON, D. I.	2
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 30684	10	04436	MACKIE	2
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 30693	10	04436	MACKIE	3
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 31087	10	05051	MCKNIGHT	2
No approved W-3X on file				
179 31089	10	05051	MCKNIGHT	3
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31097	10	05051	MCKNIGHT	4
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				

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API Number	District	ID Number	Lease Name	Well Number
179 31173	10	03496	STEPHENS, J.	3 B
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 31250	10	04436	MACKIE	6
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 31251	10	04436	MACKIE	5
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 31273	10	03609	ANDERSON, D. I.	3
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 31371	10	05051	MCKNIGHT	1
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31456	10	05502	HENDRIX	4
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31457	10	05502	HENDRIX	3
No approved W-3X on file				
179 31458	10	05502	HENDRIX	2
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31459	10	05502	HENDRIX	1
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31549	10	05669	ACKER	1
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 31568	10	03496	STEPHENS, J.	4 B
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 31572	10	05502	HENDRIX	5
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31573	10	05502	HENDRIX	6
No approved W-3X on file				
179 31575	10	05502	HENDRIX	8
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31576	10	05502	HENDRIX	7
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				

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API Number	District	ID Number	Lease Name	Well Number
179 31635	10	05669	ACKER	2
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 31636	10	05669	ACKER	3
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 31637	10	05669	ACKER	4
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 31676	10	05051	MCKNIGHT	5
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31690	10	00510	ANDERSON	4
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31694	10	05051	MCKNIGHT	7
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31712	10	05051	MCKNIGHT	8
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31722	10	03382	EAKIN, L. O.	3
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 31784	10	06079	CASE	3
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31858	10	03609	ANDERSON, D. I.	4
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 31900	10	00510	ANDERSON	5
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31907	10	06079	CASE	9
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31923	10	00510	ANDERSON	8
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31926	10	00510	ANDERSON	6
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				

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API Number	District	ID Number	Lease Name	Well Number
179 31927	10	00510	ANDERSON	7
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 31934	10	00510	ANDERSON	9
No approved W-3X on file				
179 31935	10	03382	EAKIN, L. O.	4
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 31936	10	03609	ANDERSON, D. I.	5
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 80050	10	023187	CASE	1
No approved W-3X on file				
179 80086	10	023268	SULLIVAN	1
No approved W-3X on file				
179 80088	10	023270	RUSCOE	1
No approved W-3X on file				
179 80490	10	025874	CHAPMAN, A. J. -B-	1
No approved W-3X on file Must resolve Field Operations H-15 failure preventing 14(B)(2) approval				
179 80869	10	040140	KINCADE, LUCILE	1
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 81099	10	00199	DAVIDSON	7
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 81100	10	00199	DAVIDSON	8
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
179 81115	10	00202	COMBS-WORLEY "A"	2R
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 81117	10	00202	COMBS-WORLEY "A"	4
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 81118	10	00202	COMBS-WORLEY "A"	5
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 81119	10	00202	COMBS-WORLEY "A"	6
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				

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API Number	District	ID Number	Lease Name	Well Number
179 81120	10	00202	COMBS-WORLEY "A"	7
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 81121	10	00202	COMBS-WORLEY "A"	8
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 81148	10	00212	BOWERS, J. B.	1
No approved W-3X on file				
179 81380	10	00264	GRIFFITH-DAVIDSON	1
No approved W-3X on file				
179 81381	10	00264	GRIFFITH-DAVIDSON	2
No approved W-3X on file				
179 81382	10	00264	GRIFFITH-DAVIDSON	3
No approved W-3X on file				
179 81384	10	00264	GRIFFITH-DAVIDSON	5
No approved W-3X on file				
179 81385	10	00264	GRIFFITH-DAVIDSON	6
No approved W-3X on file				
179 81386	10	00264	GRIFFITH-DAVIDSON	7
No approved W-3X on file				
179 81387	10	00264	GRIFFITH-DAVIDSON	8
No approved W-3X on file				
179 81404	10	00268	DAVIDSON, M. TRUSTEE	1
No approved W-3X on file				
179 81405	10	00268	DAVIDSON, M. TRUSTEE	2
No approved W-3X on file				
179 81406	10	00268	DAVIDSON, M. TRUSTEE	3
No approved W-3X on file				
179 81407	10	00268	DAVIDSON, M. TRUSTEE	4
No approved W-3X on file				
179 81409	10	00268	DAVIDSON, M. TRUSTEE	6
No approved W-3X on file				
179 81410	10	00269	COMBS-WORLEY "B"	1
No approved W-3X on file				
179 81411	10	00269	COMBS-WORLEY "B"	2
No approved W-3X on file				
179 82560	10	00510	ANDERSON	1
No approved W-3X on file				

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API Number	District	ID Number	Lease Name	Well Number
179 82561	10	00510	ANDERSON	2
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 83928	10	01660	COMBS-WORLEY NCT-1	10
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 83929	10	01660	COMBS-WORLEY NCT-1	11
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 83930	10	01660	COMBS-WORLEY NCT-1	13
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 84241	10	02405	FINLEY-DOLOMITE	4
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 84247	10	02405	FINLEY-DOLOMITE	10
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 84248	10	02405	FINLEY-DOLOMITE	11
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 84250	10	02405	FINLEY-DOLOMITE	14
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 84251	10	02405	FINLEY-DOLOMITE	15
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 84253	10	02405	FINLEY-DOLOMITE	17
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 84255	10	02405	FINLEY-DOLOMITE	19
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 84414	10	02749	DAVIDSON, M., NCT-1	7
No approved W-3X on file				
179 84415	10	02749	DAVIDSON, M., NCT-1	9
No approved W-3X on file				
179 84416	10	02749	DAVIDSON, M., NCT-1	12
No approved W-3X on file				
179 84418	10	02749	DAVIDSON, M., NCT-1	14
No approved W-3X on file				

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API Number	District	ID Number	Lease Name	Well Number
179 84419	10	02750	DAVIDSON, M., NCT-2	4
No approved W-3X on file				
179 84420	10	02750	DAVIDSON, M., NCT-2	6
No approved W-3X on file				
179 84421	10	02750	DAVIDSON, M., NCT-2	8
No approved W-3X on file				
179 84422	10	02750	DAVIDSON, M., NCT-2	10
No approved W-3X on file				
179 84423	10	02750	DAVIDSON, M., NCT-2	11
No approved W-3X on file				
179 84664	10	02845	JACKSON, M. D., -D-	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
179 84666	10	02845	JACKSON, M. D., -D-	4
No approved W-3X on file				
179 85131	10	03496	STEPHENS, J.	1 B
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
179 85132	10	03496	STEPHENS, J.	2 B
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
195 80030	10	022109	HOLT, EVA	1161
No approved W-3X on file				
211 30085	10	050144	LOCKE CATTLE COMPANY	3 L
No approved W-3X on file				
211 30085	10	050143	LOCKE CATTLE COMPANY	3 U
No approved W-3X on file				
401 32101	06	122234	OWENS	1
No approved W-3X on file				
401 32109	06	12113	BLANTON	1
No approved W-3X on file				
417 36068	7B	118428	GARRETT	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
417 38410	7B	198658	GARRETT	3
No approved W-3X on file				
429 34522	7B	119221	MASON, L. "A"	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
483 80480	10	040142	SPAIN, LUCILE	1
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				

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