

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0320439

IN RE: P-5 ORGANIZATION REPORT OF BANNER OIL & GAS 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. Banner Oil & Gas LLC [Operator #048539] (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 January 1, 2019.
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 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 Banner Oil & Gas LLC's P-5 Organization Report is hereby **DENIED**.

It is further ORDERED that all P-4 Certificates of Compliance issued to Banner 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 Banner 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 Banner 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 June 18, 2019.)

API Number	District	ID Number	Lease Name	Well Number
009 00595 No approved W-3X on file	09	00584	FALLS COUNTY	D 1
009 01606 No approved W-3X on file	09	00106	ANARENE "A"	9
009 05419 No approved W-3X on file	09	00106	ANARENE "A"	5
009 08104 No approved W-3X on file	09	12095	FALLS COUNTY -NORTH-	8
009 16111 No approved W-3X on file	09	00353	IKARD, W. S.	16
009 30203 No approved W-3X on file	09	10418	GREEN, F. C.	5
009 40219 No approved W-3X on file	09	10418	GREEN, F. C.	7
009 40662 No approved W-3X on file	09	28468	CARTWRIGHT	1
009 40766 No approved W-3X on file	09	29680	IKARD	1
009 41374 No approved W-3X on file	09	00106	ANARENE "A"	6S
009 41378 No approved W-3X on file	09	00106	ANARENE "A"	2S
009 41379 No approved W-3X on file	09	00106	ANARENE "A"	1S
009 41403 No approved W-3X on file	09	00106	ANARENE "A"	7S
009 41404 No approved W-3X on file	09	00106	ANARENE "A"	8S
009 41405 No approved W-3X on file	09	00106	ANARENE "A"	9S
009 80387 No approved W-3X on file	09	00105	ANARENE -B-	3
009 80388 No approved W-3X on file	09	00105	ANARENE -B-	9
009 80391 No approved W-3X on file	09	00105	ANARENE -B-	23
009 80398 No approved W-3X on file	09	00105	ANARENE -B-	41

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
009 80402 No approved W-3X on file	09	00105	ANARENE -B-	47
009 80405 No approved W-3X on file	09	00105	ANARENE -B-	51
009 80408 No approved W-3X on file	09	00105	ANARENE -B-	55
009 80418 No approved W-3X on file	09	00106	ANARENE "A"	7
009 80420 No approved W-3X on file	09	00106	ANARENE "A"	10
009 81414 No approved W-3X on file	09	00353	IKARD, W. S.	11
009 81415 No approved W-3X on file	09	00353	IKARD, W. S.	12
009 81417 No approved W-3X on file	09	00353	IKARD, W. S.	15
009 81420 No approved W-3X on file	09	00353	IKARD, W. S.	19 S
009 81665 No approved W-3X on file Must resolve UIC H-5 Test issue preventing 14(B)(2) approval	09	00438	GREEN, F. C. -K-	2
009 81675 No approved W-3X on file	09	00438	GREEN, F. C. -K-	12
009 82300 No approved W-3X on file	09	00584	FALLS COUNTY	157
009 82313 No approved W-3X on file Must resolve UIC H-5 Test issue preventing 14(B)(2) approval	09	00584	FALLS COUNTY	206
009 82315 No approved W-3X on file Must resolve UIC H-5 Test issue preventing 14(B)(2) approval	09	00584	FALLS COUNTY	210
009 82330 No approved W-3X on file	09	00584	FALLS COUNTY	232
009 82340 No approved W-3X on file	09	00584	FALLS COUNTY	243
009 82341 No approved W-3X on file	09	00584	FALLS COUNTY	244
009 82351 No approved W-3X on file	09	00584	FALLS COUNTY	255

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API Number	District	ID Number	Lease Name	Well Number
009 82357 No approved W-3X on file	09	00584	FALLS COUNTY	265
009 82410 No approved W-3X on file	09	00586	FALLS CO. SCRANTON-BOYLES	S 1
009 82413 No approved W-3X on file	09	00586	FALLS CO. SCRANTON-BOYLES	S 13
009 84339 No approved W-3X on file	09	10418	GREEN, F. C.	1
009 84340 No approved W-3X on file	09	10418	GREEN, F. C.	2
009 84341 No approved W-3X on file	09	10418	GREEN, F. C.	3
009 85187 No approved W-3X on file	09	12095	FALLS COUNTY -NORTH-	1
009 85188 No approved W-3X on file	09	12095	FALLS COUNTY -NORTH-	2
009 85189 No approved W-3X on file	09	12095	FALLS COUNTY -NORTH-	3
009 85192 No approved W-3X on file	09	12095	FALLS COUNTY -NORTH-	6
009 85193 No approved W-3X on file	09	12095	FALLS COUNTY -NORTH-	7
009 85195 No approved W-3X on file	09	12095	FALLS COUNTY -NORTH-	10
009 85196 No approved W-3X on file	09	12095	FALLS COUNTY -NORTH-	11
009 85197 No approved W-3X on file	09	12095	FALLS COUNTY -NORTH-	12
009 85200 No approved W-3X on file	09	12101	FALLS COUNTY /ALEXANDER/	1
009 85204 No approved W-3X on file	09	12101	FALLS COUNTY /ALEXANDER/	5
009 85205 No approved W-3X on file	09	12101	FALLS COUNTY /ALEXANDER/	6
009 85206 No approved W-3X on file	09	12101	FALLS COUNTY /ALEXANDER/	7
009 87413 No approved W-3X on file	09	10418	GREEN, F. C.	6

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
009 87914	09	00584	FALLS COUNTY	207
No approved W-3X on file				
237 33902	09	31437	BOX HEIRS	1
No approved W-3X on file				

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Exhibit A