

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0323079

IN RE: P-5 ORGANIZATION REPORT OF CIBOLO ENERGY OPERATING, INC.

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. Cibolo Energy Operating, Inc. [Operator #153393] (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 April 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 Cibolo Energy Operating, Inc.'s P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that Cibolo Energy Operating, Inc. 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 Cibolo Energy Operating, Inc. 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 October 1, 2019.)

API Number	District	ID Number	Lease Name	Well Number
021 00477	01	15030	YOAST	2
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
021 30610	01	15030	YOAST	9W
No approved W-3X on file Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
021 31100	01	15030	YOAST	10W
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
021 80040	01	15030	YOAST	5
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
021 80117	01	15030	YOAST	3
No approved W-3X on file				
021 80118	01	15030	YOAST	4
No approved W-3X on file				
123 31722	02	187327	RIEDEL, W. T. ET AL	1
No approved W-3X on file				
123 80142	02	01476	POETTER, W. L. C. -A-	2
No approved W-3X on file				
123 80143	02	01476	POETTER, W. L. C. -A-	4
No approved W-3X on file				
163 30696	01	05073	EARNEST, W. A.	281
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
163 30936	01	05236	BEEELER, R. F.	311
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
163 30967	01	05073	EARNEST, W. A.	283
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
163 31037	01	05073	EARNEST, W. A.	321
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
163 31475	01	05538	CARRICO	1H
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
163 31528	01	05538	CARRICO	3
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
163 31572	01	05538	CARRICO	4H
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
163 31594	01	05654	BEELER, R. F. "A"	301
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
163 31717	01	05654	BEELER, R. F. "A"	314
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
163 33013	01	05073	EARNEST, W. A.	286
Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
163 33038	01	13184	BEELER, R. F. "C"	3105
No approved W-3X on file				
175 80309	02	01476	POETTER, W. L. C. -A-	3
No approved W-3X on file				
493 31563	01	13923	KAF UNIT	8JG
No approved W-3X on file				
493 31585	01	13923	KAF UNIT	6K
No approved W-3X on file				
493 31650	01	13923	KAF UNIT	3DK
No approved W-3X on file				
493 31682	01	10434	DUGT, BEN	3
No approved W-3X on file				
493 31723	01	13923	KAF UNIT	9JG
No approved W-3X on file				
507 30435	01	05073	EARNEST, W. A.	291
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
507 30437	01	05073	EARNEST, W. A.	282
Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
507 30491	01	05073	EARNEST, W. A.	292
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
507 30882	01	05073	EARNEST, W. A.	302
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
507 30913	01	05073	EARNEST, W. A.	294
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
507 30937	01	05073	EARNEST, W. A.	303
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
507 30956	01	05073	EARNEST, W. A.	304H
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
507 32390	01	05073	EARNEST, W. A.	306
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				

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Exhibit A