

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0324200

IN RE: P-5 ORGANIZATION REPORT OF DARTEX ENERGY 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. Dartex Energy Corporation [Operator #201208] (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 June 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 Dartex Energy Corporation's P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that Dartex Energy 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 Dartex Energy 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 December 17, 2019.)

API Number	District	ID Number	Lease Name	Well Number
025 00315	02	05819	YOUNG, S.E. NCT-1	26
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				
025 00320	02	05934	YOUNG, S.E. NCT-2	4
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				
025 00768	02	118289	PAGE, C. E.	13
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
025 00786	02	06009	MCKENZIE, DIRKS	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
025 00873	02	00411	BASINGER, C. W.	2
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				
025 00874	02	00411	BASINGER, C. W.	4
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				
025 00876	02	00411	BASINGER, C. W.	6
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				
025 31322	02	05947	YOUNG, S.E. NCT-2	6
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
025 32227	02	07228	PAGE, C. S.	3
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
123 00628	02	00381	DUDERSTADT, ALOIS	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
123 00629	02	00381	DUDERSTADT, ALOIS	2
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
123 31506	02	07685	KRUEGER	6
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
123 31734	02	08126	KRUEGER UNIT	1
No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
123 32067	02	09087	SAVANNAH RANCH	1
No approved W-3X on file				
131 38273	04	204619	DRISCOLL FOUNDATION	2SD
No approved W-3X on file				
149 30756	03	24981	VON ROSENBERG	1H
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				
187 33313	01	12448	BLUMBERG	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
187 33351	01	13027	BOOTH	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
239 33720	02	284815	ENGLISH-WITTENBURG UNIT	1
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
291 04377	03	05333	SUN GULF ETAL FEE	2
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
351 00294	03	20745	QUINN, B.E. ET AL 3	4
No approved W-3X on file				
351 00295	03	20745	QUINN, B.E. ET AL 3	1
No approved W-3X on file				
351 00298	03	23494	QUINN, B. E. ETAL 3	3
No approved W-3X on file				
351 00299	03	20745	QUINN, B.E. ET AL 3	2
No approved W-3X on file				
351 30496	03	04723	HARTBURG LUMBER CO., ETAL	8
No approved W-3X on file				
351 30499	03	01711	QUINN, B. E., ETAL #3	9
No approved W-3X on file				
351 30502	03	01711	QUINN, B. E., ETAL #3	10
No approved W-3X on file				
351 30503	03	01711	QUINN, B. E., ETAL #3	12
No approved W-3X on file				
351 30505	03	01711	QUINN, B. E., ETAL #3	14
No approved W-3X on file				
351 30507	03	04723	HARTBURG LUMBER CO., ETAL	10
No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
351 30508	03	04723	HARTBURG LUMBER CO., ETAL	12
No approved W-3X on file				
351 30513	03	22380	REED, T.S.	1
No approved W-3X on file				
Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
351 30514	03	137438	QUINN, B.E. ET AL 3	15
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
351 30522	03	23028	HARTBURG	3
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				
351 30722	03	192221	HARTBURG 4	1
No approved W-3X on file				
477 30338	03	16774	MEANS	1H
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				

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Exhibit A