

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 20-0324208**

**IN RE: P-5 ORGANIZATION REPORT OF NORTH AMERICAN DRILLING CORP**

**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. North American Drilling Corp [Operator #613521] (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 North American Drilling Corp's P-5 Organization Report is hereby **DENIED**.

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

**It is further ORDERED** that North American Drilling Corp 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 North American Drilling Corp 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
055 04864	01	03636	DAVENPORT	2
No approved W-3X on file				
055 04865	01	03636	DAVENPORT	3
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 04866	01	03636	DAVENPORT	7
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 04867	01	03636	DAVENPORT	8
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 04869	01	03636	DAVENPORT	12
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 04870	01	03636	DAVENPORT	1
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 30697	01	03636	DAVENPORT	4
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 31539	01	19444	EKLUND SOUTH	2D
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				
055 31698	01	19444	EKLUND SOUTH	C 1
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				
055 31759	01	19444	EKLUND SOUTH	2E
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				
055 31760	01	19444	EKLUND SOUTH	1E
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				
055 31778	01	06961	HINDS, FLOYD C.	1
No approved W-3X on file				
055 31841	01	19444	EKLUND SOUTH	C 2A
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				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
055 31899 No approved W-3X on file	01	06961	HINDS, FLOYD C.	4R
055 31900 No approved W-3X on file	01	06961	HINDS, FLOYD C.	2
055 31901 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	01	06961	HINDS, FLOYD C.	3
055 32250 No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	01	19444	EKLUND SOUTH	3
055 32251 No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	01	19444	EKLUND SOUTH	2
055 32252 No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	01	19444	EKLUND SOUTH	4
055 32378 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	01	03636	DAVENPORT	15
055 32433 No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	01	19444	EKLUND SOUTH	H 4
055 32435 No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	01	19444	EKLUND SOUTH	H 2
055 32438 No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	01	19444	EKLUND SOUTH	H 3
055 32525 No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	01	19444	EKLUND SOUTH	H 6
055 32539 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	01	19444	EKLUND SOUTH	H 1
055 32595 Electricity must be disconnected (certify on Form W-3C) Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	01	08837	HINDS, FLOYD C.	5
055 32603 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	01	03636	DAVENPORT	2A

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
055 32604	01	03636	DAVENPORT	3A
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 32605	01	03636	DAVENPORT	4A
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 32609	01	03636	DAVENPORT	8A
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 32641	01	03636	DAVENPORT	16
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 33092	01	03636	DAVENPORT	14A
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 33094	01	03636	DAVENPORT	13A
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 33095	01	03636	DAVENPORT	12A
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 33096	01	03636	DAVENPORT	11A
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 33097	01	03636	DAVENPORT	10A
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 33098	01	03636	DAVENPORT	9A
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 33118	01	03636	DAVENPORT	15A
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 33474	01	03636	DAVENPORT	17
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
055 33723	01	03636	DAVENPORT	18
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
285 33220	02	220624	WILLIAMS, C. M.	1
No approved W-3X on file				

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**Exhibit A**

API Number	District	ID Number	Lease Name	Well Number
353 30938 No approved W-3X on file	7B	17142	MARTIN	1
353 31283 No approved W-3X on file	7B	28597	SWEET, L.W.	2
353 31300 No approved W-3X on file	7B	26968	SWEET, L. W.	3
353 31303 No approved W-3X on file	7B	28597	SWEET, L.W.	4
353 31589 No approved W-3X on file	7B	17142	MARTIN	3
353 31639 No approved W-3X on file	7B	29618	SWEET	6 R
353 31911 No approved W-3X on file	7B	23427	BOOTHE	1
353 31959 No approved W-3X on file	7B	23914	BOOTHE "A"	1
353 31975 No approved W-3X on file	7B	23945	BOOTHE-GYPSUM "A"	1
353 33108 No approved W-3X on file	7B	30659	BOOTHE TIX	1
353 33328 No approved W-3X on file	7B	31273	BOOTHE TIX	2A
353 33350 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	31143	BRAZELTON	1A
429 35791 No approved W-3X on file	7B	28939	CROCKETT	1
429 35838 No approved W-3X on file	7B	28948	WHITFIELD, OLA MAE	2
429 35848 No approved W-3X on file	7B	28939	CROCKETT	2
451 32609 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7C	17004	BYNUM	1
451 32610 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7C	17004	BYNUM	2
451 32611 No approved W-3X on file	7C	17007	BYNUM	3

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
451 32648 No approved W-3X on file	7C	17007	BYNUM	4
451 32665 No approved W-3X on file	7C	17425	VERIBEST	1
473 30741 No approved W-3X on file	03	24301	SCHULZ	1
473 30787 No approved W-3X on file	03	194949	SCHULZ, MARTIN	2

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