

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0325155

IN RE: P-5 ORGANIZATION REPORT OF NHRG 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. NHRG Inc [Operator #598344] (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 August 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 NHRG Inc's P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that NHRG 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 NHRG 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 February 11, 2020.)

API Number	District	ID Number	Lease Name	Well Number
009 34652	09	11551	CAMPBELL, R., EST. UNIT NO. 1	20
No approved W-3X on file Must resolve Field Operations H-15 failure preventing 14(B)(2) approval				
009 36447	09	22659	CLIFTON	1
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
009 37303	09	10002	CLIFTON, B. W.	10A
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
009 38259	09	24585	HULSE-ABERCROMBIE -C-	1
No approved W-3X on file				
009 38705	09	24585	HULSE-ABERCROMBIE -C-	2
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
009 39132	09	24585	HULSE-ABERCROMBIE -C-	4
No approved W-3X on file				
009 39467	09	26023	COPELAND, FRANCES	3
No approved W-3X on file				
009 40185	09	11551	CAMPBELL, R., EST. UNIT NO. 1	53
No approved W-3X on file Must resolve Field Operations H-15 failure preventing 14(B)(2) approval				
009 40481	09	22659	CLIFTON	2
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
009 42782	09	33211	DUNN	1M
No approved W-3X on file				
009 42785	09	33155	SCHOOLEY-ENLOE-WHITTAKER	3
No approved W-3X on file				
009 42805	09	33211	DUNN	2
No approved W-3X on file				
009 84183	09	10002	CLIFTON, B. W.	1A
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
009 84185	09	10002	CLIFTON, B. W.	2
No approved W-3X on file				
009 84186	09	10002	CLIFTON, B. W.	3A
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
009 84187	09	10002	CLIFTON, B. W.	4A
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
009 84188	09	10002	CLIFTON, B. W.	5A
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
009 84190	09	10002	CLIFTON, B. W.	7A
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
009 84801	09	11551	CAMPBELL, R., EST. UNIT NO. 1	1901W
No approved W-3X on file Must resolve Field Operations H-15 failure preventing 14(B)(2) approval				
077 32584	09	22394	JONES	1
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
077 32722	09	22394	JONES	3
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
077 32725	09	22394	JONES	4
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
077 32990	09	22394	JONES	7
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
077 33416	09	22394	JONES	10R
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
077 33417	09	22394	JONES	9
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
077 33422	09	22394	JONES	8
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
077 34327	09	22394	JONES	12
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
077 34368	09	22394	JONES	15
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
097 00359	09	01998	KOESLER, MARY	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				
097 30307	09	01998	KOESLER, MARY	19
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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API Number	District	ID Number	Lease Name	Well Number
097 30308	09	01998	KOESLER, MARY	18
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				
097 31739	09	01998	KOESLER, MARY	3A
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
097 33090	09	01998	KOESLER, MARY	24
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
097 33857	09	01998	KOESLER, MARY	25
Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file				
485 30050	09	04911	KEMPNER -R-	51
No approved W-3X on file				
485 31142	09	04911	KEMPNER -R-	53
No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
485 32749	09	04911	KEMPNER -R-	57
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
485 32750	09	04911	KEMPNER -R-	56
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
485 33535	09	04911	KEMPNER -R-	60
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				
485 34361	09	04911	KEMPNER -R-	61
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
485 34554	09	04911	KEMPNER -R-	62
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
485 34681	09	04911	KEMPNER -R-	64
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
485 38065	09	04911	KEMPNER -R-	65
No approved W-3X on file				
485 80046	09	04911	KEMPNER -R-	2
Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file				

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API Number	District	ID Number	Lease Name	Well Number
485 80047	09	04911	KEMPNER -R- Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	3
485 80048	09	04911	KEMPNER -R- Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	8
485 80049	09	04911	KEMPNER -R- No approved W-3X on file	17
485 80050	09	04911	KEMPNER -R- Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	33
485 80051	09	04911	KEMPNER -R- 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	34
485 80052	09	04911	KEMPNER -R- No approved W-3X on file	46
485 80053	09	04911	KEMPNER -R- Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	48
485 80054	09	04911	KEMPNER -R- Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	49
485 92879	09	04911	KEMPNER -R- No approved W-3X on file	52
503 31804	09	22084	WOLF, WILLIE No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	6
503 35544	09	22084	WOLF, WILLIE No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	2
503 35635	09	22084	WOLF, WILLIE Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	3
503 39549	09	22084	WOLF, WILLIE No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	1
503 39550	09	22084	WOLF, WILLIE No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	8
503 40329	09	22084	WOLF, WILLIE No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	5

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API Number	District	ID Number	Lease Name	Well Number
503 40509	09	22084	WOLF, WILLIE	7
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
503 41338	09	22084	WOLF, WILLIE	11
Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file				
503 41365	09	22084	WOLF, WILLIE	12
Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file				
503 42000	09	22084	WOLF, WILLIE	14
No approved W-3X on file				

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