

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0325165

IN RE: P-5 ORGANIZATION REPORT OF US. FUELS, 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. US. Fuels, Inc. [Operator #879264] (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 US. Fuels, Inc.'s P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that US. Fuels, 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 US. Fuels, 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
047 31504 No approved W-3X on file	04	125814	MILLER	1
047 31527 No approved W-3X on file	04	129785	HOPPER	1
049 36154 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	7B	32015	SANDERS	1
059 06032 No approved W-3X on file	7B	30942	BOOTH	B 2
059 36649 No approved W-3X on file	7B	214933	SIMMONS	1
059 36674 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	30238	MCCOLLUM	1
059 36675 No approved W-3X on file	7B	30041	SIMMONS "B"	1
059 36677 No approved W-3X on file	7B	30238	MCCOLLUM	2
165 34962 No approved W-3X on file	8A	167248	YAHN, EDMUND J.	1
165 35082 No approved W-3X on file	8A	67668	YAHN, EDMUND J.	2H
273 00800 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	04	13183	STATE TRACT 82	1
273 00807 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	04	12280	FIMBLE 7400' OIL UNIT	4 U
273 00809 No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	04	11076	GOETSCH, D.L.D. UNIT	2 M
273 00828 No approved W-3X on file Must resolve Field Operations issue preventing 14(B)(2) approval	04	12235	YAKLIN 7400' OIL UNIT	2
273 00829 No approved W-3X on file	04	12635	YAKLIN, LEO	3
273 31795 No approved W-3X on file	04	12172	WENNER - STATE TRACT 82	5
273 32377 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	04	13150	BAFFIN BAY STATE TRACT 83	1

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
273 32502 No approved W-3X on file	04	250248	STATE TRACT 80-82 UNIT	1C
429 30163 No approved W-3X on file	7B	09013	THOMPSON, H.	3
429 30963 No approved W-3X on file	7B	068806	HAVINS	1
429 31094 No approved W-3X on file	7B	22260	HAVINS	2
429 80240 No approved W-3X on file	7B	044336	FARABEE, T. W.	1
429 81462 No approved W-3X on file	7B	09013	THOMPSON, H.	1
429 81463 No approved W-3X on file	7B	09013	THOMPSON, H.	2

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Exhibit A