

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 20-0325616**

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**IN RE: P-5 ORGANIZATION REPORT OF TEXAS SHALLOW OIL & GAS, LLC**

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**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. Texas Shallow Oil & Gas, Llc [Operator #848047] (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 September 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 Texas Shallow Oil & Gas, Llc's P-5 Organization Report is hereby **DENIED**.

**It is further ORDERED** that all P-4 Certificates of Compliance issued to Texas Shallow Oil & Gas, Llc as operator of record are hereby **CANCELLED** and all related pipeline or other carrier connections are hereby **SEVERED**.

**It is further ORDERED** that Texas Shallow Oil & Gas, Llc 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 Texas Shallow Oil & Gas, Llc 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 March 4, 2020.)

API Number	District	ID Number	Lease Name	Well Number
009 33766	09	21790	RICH	1 A
No approved W-3X on file				
009 35841	09	21790	RICH	1
No approved W-3X on file				
429 30283	7B	132736	GILMER, ANNIE ET AL	1
No approved W-3X on file				
429 30302	7B	12106	GILMER, ANNIE ET AL	2
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
429 33652	7B	20525	GILMER, ANNIE ET AL	5
No approved W-3X on file				
503 04520	09	07566	JOHNSON, C. W.	1WI
No approved W-3X on file				
Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
503 04617	09	07566	JOHNSON, C. W.	13
No approved W-3X on file				
503 05102	09	07566	JOHNSON, C. W.	10
No approved W-3X on file				
503 31774	09	07183	BOONE, J. L.	17
No approved W-3X on file				
503 32610	09	07303	CARPENTER, O. R.	9
No approved W-3X on file				
503 32833	09	18987	BAILEY, CHARLEY	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
503 32994	09	18805	FURR, ELLIS	1D
No approved W-3X on file				
503 33488	09	07183	BOONE, J. L.	18
No approved W-3X on file				
503 36520	09	104703	SLATER	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
503 38467	09	07183	BOONE, J. L.	1 B
No approved W-3X on file				
503 38468	09	07183	BOONE, J. L.	2B
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
503 39047	09	07566	JOHNSON, C. W.	6B
No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
503 39873 No approved W-3X on file	09	27387	MARTIN	1
503 40173 No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	09	27762	B B #1	1
503 40218 No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	09	27762	B B #1	2
503 41768 No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval	09	33298	MCDANIEL	1
503 41770 No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval	09	33298	MCDANIEL	3
503 41771 No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval	09	33298	MCDANIEL	4
503 41772 No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval	09	33298	MCDANIEL	5
503 42057 No approved W-3X on file	09	07303	CARPENTER, O. R.	1N
503 42059 No approved W-3X on file	09	07303	CARPENTER, O. R.	2N
503 42260 No approved W-3X on file	09	33327	B .F. BARRETT	2A
503 42261 No approved W-3X on file	09	33327	B .F. BARRETT	6A
503 42262 No approved W-3X on file	09	33327	B .F. BARRETT	8A
503 42263 No approved W-3X on file	09	33327	B .F. BARRETT	4A
503 42264 No approved W-3X on file	09	33327	B .F. BARRETT	5A
503 80516 No approved W-3X on file	09	07183	BOONE, J. L.	1

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
503 80517	09	07183	BOONE, J. L.	2
No approved W-3X on file				
503 80518	09	07183	BOONE, J. L.	3
No approved W-3X on file				
503 80519	09	07183	BOONE, J. L.	4
No approved W-3X on file				
503 80520	09	07183	BOONE, J. L.	5
No approved W-3X on file				
503 80521	09	07183	BOONE, J. L.	6
No approved W-3X on file				
503 80522	09	07183	BOONE, J. L.	7
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
503 80523	09	07183	BOONE, J. L.	8
No approved W-3X on file				
503 80524	09	07183	BOONE, J. L.	9
No approved W-3X on file				
503 80525	09	07183	BOONE, J. L.	10
No approved W-3X on file				
503 80526	09	07183	BOONE, J. L.	12
No approved W-3X on file				
503 80527	09	07183	BOONE, J. L.	15
No approved W-3X on file				
503 80528	09	07183	BOONE, J. L.	16
No approved W-3X on file				
503 81737	09	07566	JOHNSON, C. W.	2
No approved W-3X on file				
503 81738	09	07566	JOHNSON, C. W.	3
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
503 81739	09	07566	JOHNSON, C. W.	4
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
503 81740	09	07566	JOHNSON, C. W.	5
No approved W-3X on file				
503 81744	09	07566	JOHNSON, C. W.	11W
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
503 81745	09	07566	JOHNSON, C. W.	12
No approved W-3X on file				
503 81747	09	07566	JOHNSON, C. W.	14
No approved W-3X on file				
503 85222	09	07303	CARPENTER, O. R.	14
No approved W-3X on file				

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**Exhibit A**