RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL & GAS DOCKET NO. 20-0286524

IN RE: P-5 ORGANIZATION REPORT OF EMBASSY WELL SERVICE, LLC

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. Embassy Well Service, LLC [Operator #250943] (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, 2013.

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 of 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 Embassy Well Service, LLC's P-5 Organization Report is hereby **DENIED.**

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

It is further ORDERED that Embassy Well Service, 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 Embassy Well Service, 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 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. 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 90 days from the date the parties are notified of the order.

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 January 21, 2014.)

API	Number	District	ID Number	Lease Name	Well Number
055	31190	01	05966	MOSIER, A. T.	1
	No approved W-3X on file				
183	00243	6E	08569	SABINE RIVER BED TRACT 8-70 AC.	2
	Electricity must be disconnected (certify on Form W-3C)				
	No approved W-3X on file				
183	20033	6E	08569	SABINE RIVER BED TRACT 8-70 AC.	5
	Surface equipment must be removed (certify on Form W-3C)				
	No approved W-3X on file				
183	30013	6E	08569	SABINE RIVER BED TRACT 8-70 AC.	3
	Electricity must be disconnected (certify on Form W-3C)				
	No approved W-3X on file				
183	89858	6E	08569	SABINE RIVER BED TRACT 8-70 AC.	4
	Surface equipment must be removed (certify on Form W-3C)				
	No approved W-3X on file				
401	31808	06	10075	HAYS, OREN	2
	No approved W-3X on file				
401	80916	6E	06441	BUTTS, SAVANNAH	1R
	Surface equipment must be removed (certify on Form W-3C)				
	No approved W-3X on file				
401	80917	6E	06441	BUTTS, SAVANNAH	2R
	Surface equipment must be removed (certify on Form W-3C)				
	No approved W-3X on file				
401	80918	6E	06441	BUTTS, SAVANNAH	3A
	Surface equipment must be removed (certify on Form W-3C)				
	No approved W-3X on file				
401	80920	6E	06442	KENNEDY, WEBB	4A
	Surface equipment must be removed (certify on Form W-3C)				
	No approved W-3X on file				
401	80922	6E	06443	BRADY, MARY KENNEDY ET AL	1A
	Surface equipment must be removed (certify on Form W-3C)				
	No approved W-3X on file				
401	80925	6E	06443	BRADY, MARY KENNEDY ET AL	4
	Surface equipment must be removed (certify on Form W-3C)				
	No approved W-3X on file				
401	80927	6E	06444	MONTGOMERY, EMMA	1B
	Surface equipment must be removed (certify on Form W-3C)				
	No approved W-3X on file				
401	80928	6E	06444	MONTGOMERY, EMMA	3A
	Surface equipment must be removed (certify on Form W-3C)				
	No approved W-3X on file				
401	80929	6E	06444	MONTGOMERY, EMMA	4
	Surface equipment must be removed (certify on Form W-3C)				
	No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
401 80930	6E	06444	MONTGOMERY, EMMA	5
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
401 84996	6E	08068	MORSE, L. B.	2
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
401 85000	6E	08068	MORSE, L. B.	7
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
449 00862	06	05584	EAST TRIX - LIZ UNIT	2
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
449 80238	06	05584	EAST TRIX - LIZ UNIT	2 A
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				

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Exhibit A