

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0279763

IN RE: P-5 ORGANIZATION REPORT OF ORPHAN WELLS, 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. Orphan Wells, LLC [Operator #627006] (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, 2012.
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 notifying the Operator of the determination of continued non-compliance, that the Operator had a right to request a hearing, and that the hearing request and non-refundable hearing fee had to be received by the Commission no later than 30 days after the date of the letter. The letter included a list, attached as Exhibit A to this order, of the wells that remained out of compliance with Statewide Rule 15 (16 TEX. ADMIN. CODE §3.15).
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. Denial of renewal of the Operator's P-5 Organization Report is authorized and required by 16 Tex. Admin. Code §3.15(g)(4) and Tex. Nat. Res. Code §§89.022(f).
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 Orphan Wells, LLC's P-5 Organization Report is hereby **DENIED**.

It is further ORDERED that Orphan Wells, 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 Orphan Wells, 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 29, 2013.)

API Number	District	ID Number	Lease Name	Well Number
215 32061	04	141392	HINOJOSA, ET AL	2
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
409 03085	04	155202	EXXON SPEER FEE	2
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
409 03088	04	179300	EXXON SPEER FEE	5
Production fluids must be purged (certify on Form W-3C)				
No approved W-3X on file				
409 31857	04	139589	EXXON SPEER FEE	10
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
427 00454	04	01301	HINOJOSA, J. L.	1
No approved W-3X on file				
427 02911	04	015357	FUENTES, J. R.	1
No approved W-3X on file				
Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
427 02912	04	02314	FUENTES, J. R.	2
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
427 02913	04	02314	FUENTES, J. R.	3
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				
427 02914	04	02314	FUENTES, J. R.	4
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				
427 02915	04	02314	FUENTES, J. R.	5
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
427 02933	04	02316	HINOJOSA, MEDARDO -B- ROY. A/C#1	4
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
427 02934	04	02316	HINOJOSA, MEDARDO -B- ROY. A/C#1	5
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
427 02936	04	02316	HINOJOSA, MEDARDO -B- ROY. A/C#1	7
Surface equipment must be removed (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
427 02939	04	02317	HINOJOSA, MEDARDO -B- ROY. A/C#2	10
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
427 02940	04	02317	HINOJOSA, MEDARDO -B- ROY. A/C#2	11
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
427 02942	04	02317	HINOJOSA, MEDARDO -B- ROY. A/C#2	13B
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
427 02942	04	049453	HINOJOSA, M., -B-ROY. ACCT. #2	13B
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
427 02943	04	02317	HINOJOSA, MEDARDO -B- ROY. A/C#2	14B
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
427 02944	04	02316	HINOJOSA, MEDARDO -B- ROY. A/C#1	15B
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
427 02945	04	02316	HINOJOSA, MEDARDO -B- ROY. A/C#1	16B
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
427 02946	04	068256	HINOJOSA	17B
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
427 02947	04	02316	HINOJOSA, MEDARDO -B- ROY. A/C#1	18B
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
427 02948	04	02316	HINOJOSA, MEDARDO -B- ROY. A/C#1	19B
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
427 02952	04	02317	HINOJOSA, MEDARDO -B- ROY. A/C#2	23B
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
427 02953	04	02316	HINOJOSA, MEDARDO -B- ROY. A/C#1	24B
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				

API Number	District	ID Number	Lease Name	Well Number
427 02967	04	012870	RICABY, S. B., ESTATE -D- Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	2 D
427 02968	04	012869	RICABY, S. B., ESTATE -D- 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	3 D
427 30879	04	10779	GUERRA, F. B. "B" No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	2
427 31206	04	09024	GUERRA. F.B. "E" No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval	1
427 33858	04	02314	FUENTES, J. R. No approved W-3X on file	6
427 33866	04	218778	RICABY No approved W-3X on file	7
427 34212	04	13537	PARKS, W. S. ET AL No approved W-3X on file	12