

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0280605

IN RE: P-5 ORGANIZATION REPORT OF CENTEX DEVELOPMENT

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. Centex Development [Operator #141141] (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, 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 Centex Development's P-5 Organization Report is hereby **DENIED**.

It is further ORDERED that Centex Development 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 Centex Development 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 February 26, 2013.)

API Number	District	ID Number	Lease Name	Well Number
013 03022	01	03782	BYROM, E. E.	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
013 03023	01	03782	BYROM, E. E.	2
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
021 30255	01	06301	STEPAN	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
039 31969	03	24022	POWERS	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
051 33267	03	155934	MALAZZO	1
No approved W-3X on file				
177 31423	01	14878	TENBERG, G. F.	1
No approved W-3X on file				
177 31492	01	09666	JANOTA	1R
No approved W-3X on file				
Must resolve Field Operations issue preventing 14(B)(2) approval				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
Must resolve lack of Good Faith Claim issue preventing 14(B)(2) approval				
177 31621	01	14878	TENBERG, G. F.	2
No approved W-3X on file				
237 31126	09	066344	CLARK	1
No approved W-3X on file				
283 31286	01	12444	HILEMAN	1
No approved W-3X on file				
283 31400	01	12966	FULLER #1	7
No approved W-3X on file				
283 31405	01	12838	MORIN, LEOPOLDO	2
No approved W-3X on file				
Must resolve Field Operations issue preventing 14(B)(2) approval				
417 31831	7B	03501	DYER, J. F.	13
No approved W-3X on file				
417 32023	7B	03501	DYER, J. F.	15
No approved W-3X on file				
Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
417 32122	7B	03501	DYER, J. F.	17
No approved W-3X on file				
417 32352	7B	03501	DYER, J. F.	18
No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
417 32431	7B	03501	DYER, J. F.	22
No approved W-3X on file				
417 32432	7B	03501	DYER, J. F.	19
No approved W-3X on file				
Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
417 32433	7B	03501	DYER, J. F.	20
No approved W-3X on file				
417 33133	7B	03501	DYER, J. F.	25
No approved W-3X on file				
417 81417	7B	03501	DYER, J. F.	7
No approved W-3X on file				
417 81418	7B	03501	DYER, J. F.	10
No approved W-3X on file				
417 81419	7B	03501	DYER, J. F.	11
No approved W-3X on file				
417 81420	7B	03501	DYER, J. F.	12
No approved W-3X on file				
417 81422	7B	03501	DYER, J. F.	14
No approved W-3X on file				
417 81424	7B	03501	DYER, J. F.	16
No approved W-3X on file				