

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0281126

IN RE: P-5 ORGANIZATION REPORT OF J & J SERVICES COMPANY

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. J & J Services Company [Operator #427662] (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 October 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 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 J & J Services Company's P-5 Organization Report is hereby **DENIED**.

It is further ORDERED that all P-4 Certificates of Compliance issued to J & J Services Company as operator of record are hereby **CANCELLED** and all related pipeline or other carrier connections are hereby **SEVERED**.

It is further ORDERED that J & J Services Company 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 J & J Services Company 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 March 26, 2013.)

API Number	District	ID Number	Lease Name	Well Number
083 31778	7B	15486	RESSIE JAMES	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
095 30165	7C	06487	CARTER, R. L.	5
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
095 30441	7C	06493	CARTER, R. L. -B-	10
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
095 30476	7C	08293	MIKESKA, B. J.	4A
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
095 30837	7C	11609	ELLIS, C. M.	1
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
095 30837	7C	16049	ELLIS, C. M.	1
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
095 30861	7C	15353	NITRAM-POPE	5
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
095 30897	7C	11609	ELLIS, C. M.	2
Electricity must be disconnected (certify on Form W-3C)				
095 31283	7C	15503	DANIEL	A 1
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
095 31446	7C	170881	KONETA FAYE	1
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
095 31642	7C	154893	CANNING "A"	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
095 32006	7C	15353	NITRAM-POPE	1
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
095 32027	7C	15353	NITRAM-POPE	4
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
095 32031	7C	225762	NITRAM - POPE	3
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
235 00427	7C	03504	LINDLEY, HENRY	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
235 00471	7C	06991	SKELLY-SUGG "45"	1
Electricity must be disconnected (certify on Form W-3C)				
235 30619	7C	06902	FARMER -56-	1
Electricity must be disconnected (certify on Form W-3C)				
235 30730	7C	06902	FARMER -56-	2
Electricity must be disconnected (certify on Form W-3C)				
235 30773	7C	07207	FARMER -57-	1
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
235 31180	7C	07373	FARMER "44"	1
Electricity must be disconnected (certify on Form W-3C)				
235 31181	7C	07207	FARMER -57-	2
Electricity must be disconnected (certify on Form W-3C)				
235 31191	7C	06902	FARMER -56-	3
Electricity must be disconnected (certify on Form W-3C)				
235 31237	7C	07207	FARMER -57-	4
Electricity must be disconnected (certify on Form W-3C)				
235 31239	7C	07207	FARMER -57-	3
Electricity must be disconnected (certify on Form W-3C)				
235 31259	7C	07373	FARMER "44"	2
Electricity must be disconnected (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
235 31274	7C	06902	FARMER -56-	4
Electricity must be disconnected (certify on Form W-3C)				
235 31284	7C	07207	FARMER -57-	6
Electricity must be disconnected (certify on Form W-3C)				
235 31286	7C	06902	FARMER -56-	5
Electricity must be disconnected (certify on Form W-3C)				
235 31295	7C	07373	FARMER "44"	4
Electricity must be disconnected (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				

API Number	District	ID Number	Lease Name	Well Number
235 31297	7C	07207	FARMER -57-	8
Electricity must be disconnected (certify on Form W-3C)				
235 31304	7C	079317	COX "60"	2
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
235 31373	7C	06991	SKELLY-SUGG "45"	2
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
235 31443	7C	08089	FARMER "43-10"	1
Electricity must be disconnected (certify on Form W-3C)				
235 31519	7C	08089	FARMER "43-10"	2
Electricity must be disconnected (certify on Form W-3C)				
235 31644	7C	08089	FARMER "43-10"	3
Electricity must be disconnected (certify on Form W-3C)				
235 32626	7C	11539	OZARK-LINDLEY "59"	1
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
235 33083	7C	13269	LANGE, A. K.	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
335 30745	08	28980	HENDRY	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
335 31487	08	25656	MCCABE	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
335 32635	08	30247	MCCABE -A-	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
335 32673	08	28913	MCCABE -B-	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
335 32705	08	28972	MCCABE -A-	2
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				

API Number	District	ID Number	Lease Name	Well Number
335 32982	08	30870	MCCABE -C-	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
399 01463	7C	08183	ALLEN, RUFUS -B-	1
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
399 30639	7C	07146	ALLEN, RUFUS	1
Electricity must be disconnected (certify on Form W-3C)				
399 30690	7C	07146	ALLEN, RUFUS	2
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
399 30706	7C	07146	ALLEN, RUFUS	4
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
399 30988	7C	10077	ALLEN, RUFUS "C"	2
Electricity must be disconnected (certify on Form W-3C)				
399 31005	7C	07274	ALLEN, RUFUS "B"	4
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
399 31017	7C	07275	ALLEN, RUFUS "C"	3
Electricity must be disconnected (certify on Form W-3C)				
399 31027	7C	07275	ALLEN, RUFUS "C"	4
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
399 31098	7C	10077	ALLEN, RUFUS "C"	7
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
399 31134	7C	07274	ALLEN, RUFUS "B"	5
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
399 31135	7C	07274	ALLEN, RUFUS "B"	7
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
399 31160	7C	07274	ALLEN, RUFUS "B"	6 A
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
399 31163	7C	07275	ALLEN, RUFUS "C"	9
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				

API Number	District	ID Number	Lease Name	Well Number
399 31172	7C	07274	ALLEN, RUFUS "B"	9
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
399 31173	7C	07274	ALLEN, RUFUS "B"	8
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
399 31227	7C	07274	ALLEN, RUFUS "B"	10
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
399 31436	7C	09094	ALLEN, RUFUS "D"	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
399 31533	7C	09094	ALLEN, RUFUS "D"	3
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
399 31534	7C	09094	ALLEN, RUFUS "D"	2
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
399 32157	7C	10077	ALLEN, RUFUS "C"	10
Electricity must be disconnected (certify on Form W-3C)				
399 32158	7C	07275	ALLEN, RUFUS "C"	11
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
399 32180	7C	08184	ALLEN, RUFUS -D-	4
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
399 32208	7C	09216	ALLEN, RUFUS "E"	11
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
399 32287	7C	07274	ALLEN, RUFUS "B"	12
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
399 32314	7C	10077	ALLEN, RUFUS "C"	12
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				

API Number	District	ID Number	Lease Name	Well Number
399 35198	7C	07275	ALLEN, RUFUS "C"	C 14
Electricity must be disconnected (certify on Form W-3C)				
413 32536	7C	16943	UPTON, H. C.	4402R
Electricity must be disconnected (certify on Form W-3C)				
451 30746	7C	08927	GLASS	2
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
451 31000	7C	116012	UPTON "A"	1
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
451 31846	7C	139624	MUNN "1123"	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				

INSUFFICIENT PROGRESS ON 10-YEAR INACTIVE WELLS: For wells shut-in at least 10 years as of September 1, 2010, operators were given five years to address the surface equipment removal requirements. For your Organization Report renewal on OCTOBER 1, 2012, Rule 15(i) requires that you be at least 40% complete with this process. Current W-3C records indicate that you have not met this requirement (0% of your phase-in wells show that you have completed the surface cleanup). Your Organization Report renewal cannot be approved until you have met this requirement and have filed the appropriate Commission forms to update our records.