RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL & GAS DOCKET NO. 20-0289549

IN RE: P-5 ORGANIZATION REPORT OF B.E.G. PRODUCTION

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. B.E.G. Production [Operator #040396] (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 January 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 B.E.G. Production's P-5 Organization Report is hereby **DENIED.**

It is further ORDERED that all P-4 Certificates of Compliance issued to B.E.G. Production as operator of record are hereby **CANCELLED** and all related pipeline or other carrier connections are hereby **SEVERED**.

It is further ORDERED that B.E.G. Production 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 B.E.G. Production 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 June 17, 2014.)

B.E.G. PRODUCTION
APRIL 4, 2014

API Number	District	ID Number	Lease Name	Well Number
009 36102	09	22460	D.C.T.	1
No approved W-3X on file				
009 37079	09	22460	D.C.T.	2
No approved W-3X on file				
009 37469	09	25514	CRUTCHER-HILBERS "B-H"	1
No approved W-3X on file				
009 40275	09	27774	WILSON ESTATE "A"	1
No approved W-3X on file				
009 40917	09	28984	PARKEY RANCH II	1
No approved W-3X on file				
009 40940	09	29198	PARKEY RANCH III	1
No approved W-3X on file				
077 02614	09	14294	STINE	2
No approved W-3X on file				
077 02616	09	14294	STINE	4
No approved W-3X on file				
077 81826	09	14294	STINE	1
No approved W-3X on file				
077 82698	09	14294	STINE	5
No approved W-3X on file				
485 15249	09	27886	COLE, T. J. "A"	9
No approved W-3X on file				
485 15250	09	27886	COLE, T. J. "A"	13
No approved W-3X on file				
485 15251	09	27886	COLE, T. J. "A"	16
No approved W-3X on file				
485 15253	09	27886	COLE, T. J. "A"	19
No approved W-3X on file				
485 30050	09	04911	KEMPNER -R-	51
No approved W-3X on file				
485 31142	09	04911	KEMPNER -R-	53
No approved W-3X on file				
485 31556	09	27886	COLE, T. J. "A"	49
No approved W-3X on file				
485 38065	09	04911	KEMPNER -R-	65
No approved W-3X on file				
485 42578	09	05286	PRESTON	10
No approved W-3X on file				
Must resolve District Office field rule violation issue preventing 14(B)(2) approval				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
485 42579	09	05286	PRESTON	9
No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
485 80046	09	04911	KEMPNER -R-	2
No approved W-3X on file				
485 80047	09	04911	KEMPNER -R-	3
No approved W-3X on file				
485 80048	09	04911	KEMPNER -R-	8
No approved W-3X on file				
485 80049	09	04911	KEMPNER -R-	17
No approved W-3X on file				
485 80050	09	04911	KEMPNER -R-	33
No approved W-3X on file				
485 80052	09	04911	KEMPNER -R-	46
No approved W-3X on file				
485 82060	09	27886	COLE, T. J. "A"	17
No approved W-3X on file				
485 82066	09	27886	COLE, T. J. "A"	24
No approved W-3X on file				
485 82071	09	27886	COLE, T. J. "A"	32
No approved W-3X on file				
485 82767	09	05286	PRESTON	4
No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
485 82768	09	05286	PRESTON	5
No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
485 82769	09	05286	PRESTON	6
No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
485 82770	09	05286	PRESTON	7
No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
485 84875	09	05563	PRESTON "A"	1
No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
485 84876	09	05563	PRESTON "A"	2
No approved W-3X on file				
485 84878	09	05565	PRESTON -B-	1
No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
485 84879	09	05565	PRESTON -B-	2
No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
485 84881	09	05565	PRESTON -B-	5
No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
485 92879	09	04911	KEMPNER -R-	52
No approved W-3X on file				

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Exhibit A

RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL & GAS DOCKET NO. 20-0289551

IN RE: P-5 ORGANIZATION REPORT OF CAMOIL, INC.

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. Camoil, Inc. [Operator #127449] (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 January 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 Camoil, Inc.'s P-5 Organization Report is hereby **DENIED.**

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

It is further ORDERED that Camoil, Inc. 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 Camoil, Inc. 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 June 17, 2014.)

API Number	District	ID Number	Lease Name	Well Number
089 00053	03	164973	MOEBES, LEONA K	2
No approved W-3X on file				
089 00971	03	05072	MOEBES, LEONA K.	3D
No approved W-3X on file				
089 31299	03	205819	THOMAS, J. R.	2
No approved W-3X on file				
089 31323	03	104511	MATTHEWS "E"	3
No approved W-3X on file				
089 31927	03	22666	GRODHAUS	1
No approved W-3X on file				
089 32077	03	169462	WEEKS ET AL	1
No approved W-3X on file				
089 32090	03	170787	JONES ET AL	1
No approved W-3X on file				
089 32132	03	173561	AMMANN	1
No approved W-3X on file				
089 32133	03	173470	STOVALL	1
No approved W-3X on file				
089 32218	03	178399	BROYLES, WALTER	2
No approved W-3X on file				
089 32219	03	178967	THOMAS	1
No approved W-3X on file				
089 32474	03	250214	BUTLER GAS UNIT	1
No approved W-3X on file				
089 32475	03	224959	THOMAS	3
No approved W-3X on file				
123 30275	02	073103	MCKINNEY, RICKI	1
No approved W-3X on file				
123 31381	02	117081	CARTER, A. J. III	1
No approved W-3X on file				
123 31912	02	188206	SCOTT	1
No approved W-3X on file				
123 31912	02	192653	SCOTT	1
No approved W-3X on file				
239 33139	02	184459	GOFF MINERAL TRUST	02
No approved W-3X on file				
285 32070	02	135474	ALLEN	1
No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
285 32128	02	140819	ALLEN	1A
No approved W-3X on file				
285 33028	02	200164	BORCHERS F	14
No approved W-3X on file				
469 00065	02	148215	FRIAR, A.	5
No approved W-3X on file				
469 00922	02	064284	WEST, JOHN	1
No approved W-3X on file				
469 30121	02	151159	SMAJSTRLA UNIT	1R
No approved W-3X on file				
469 30348	02	152585	FRIAR, A.	7
No approved W-3X on file				
469 31345	02	088602	WEST	1
No approved W-3X on file				
469 31919	02	155170	FRIAR, THOMAS	1
No approved W-3X on file				
469 32465	02	172084	FRIAR, THOMAS	2
No approved W-3X on file				
469 32649	02	07472	SMAJSTRLA UNIT	2
No approved W-3X on file				
469 32672	02	07949	SMAJSTRLA UNIT	3
No approved W-3X on file				
481 03234	03	02612	COCKBURN OIL CORP.	6A
No approved W-3X on file				
481 03705	03	02612	COCKBURN OIL CORP.	10
No approved W-3X on file				
481 33379	03	138605	PATOS, INC.	2
No approved W-3X on file				
481 33770	02	154194	KNIGHT	1
No approved W-3X on file				
481 33859	03	158771	SCHOELMAN, EVELYN	1
No approved W-3X on file				
481 33866	03	158752	SCHOENFIELD, TED	1
No approved W-3X on file				
481 80278	03	042692	COCKBURN OIL CORPORATION	7
No approved W-3X on file				

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Exhibit A