

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL & GAS DOCKET NO. 20-0290598**

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**IN RE: P-5 ORGANIZATION REPORT OF SEQUOIA NATURAL GAS, INC.**

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**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. Sequoia Natural Gas, Inc. [Operator #767543] (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 March 1, 2014.
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 Sequoia Natural Gas, Inc.'s P-5 Organization Report is hereby **DENIED**.

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

**It is further ORDERED** that Sequoia Natural Gas, 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 Sequoia Natural Gas, 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 August 12, 2014.)

API Number	District	ID Number	Lease Name	Well Number
093 30633 No approved W-3X on file	7B	084819	ROBERTSON HEIRS	1
133 30650 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	13631	PERKINS	2
133 31075 No approved W-3X on file	7B	072415	PENCE	1
133 31176 No approved W-3X on file	7B	129047	WHITTINGTON	1
133 32050 No approved W-3X on file	7B	129230	WRIGHT	2
133 33345 No approved W-3X on file	7B	129229	WRIGHT	1
133 33508 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7B	17497	KIRK	4
133 37757 No approved W-3X on file	7B	171799	YOUNG	1
133 80508 No approved W-3X on file	7B	01524	KENT, ETAL	1
363 35201 No approved W-3X on file	7B	29364	SHEPARD	1
417 01376 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	03217	LONES, H. A.	10
417 01539 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	03291	ARNOLD, J. H.	53
417 01540 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	03291	ARNOLD, J. H.	51
417 01541 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	03291	ARNOLD, J. H.	47
417 01553 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	03291	ARNOLD, J. H.	49
417 01585 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7B	03291	ARNOLD, J. H.	57

Docket No. 20-0290598

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
417 01586	7B	03291	ARNOLD, J. H. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	56
417 08372	7B	03291	ARNOLD, J. H. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	15 A
417 30166	7B	11224	LEECH, GLENN ET AL Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	1
417 30643	7B	03217	LONES, H. A. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	12
417 30670	7B	03291	ARNOLD, J. H. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	18A
417 30903	7B	03217	LONES, H. A. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	15
417 30935	7B	11224	LEECH, GLENN ET AL Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	4
417 30979	7B	089104	GLENN LEECH ET AL Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	6
417 31425	7B	03217	LONES, H. A. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	16
417 31528	7B	03291	ARNOLD, J. H. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	19A
417 31664	7B	03291	ARNOLD, J. H. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	20A
417 31877	7B	03217	LONES, H. A. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	18
417 32046	7B	03291	ARNOLD, J. H. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	22A
417 32047	7B	03291	ARNOLD, J. H. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	21A

Docket No. 20-0290598

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
417 32824	7B	03291	ARNOLD, J. H.	1
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
417 33121	7B	03217	LONES, H. A.	20
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
417 33615	7B	17759	LEECH GLEN ET AL	7
Production fluids must be purged (certify on Form W-3C)				
No approved W-3X on file				
417 34855	7B	19469	COMPTON, S. W.	2
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
417 35183	7B	19469	COMPTON, S. W.	4
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
417 36231	7B	22305	PRUITT	2
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
417 37553	7B	03217	LONES, H. A.	21
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
417 37685	7B	03291	ARNOLD, J. H.	631
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
417 37686	7B	03291	ARNOLD, J. H.	731
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
417 37687	7B	03291	ARNOLD, J. H.	831
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
417 37688	7B	03291	ARNOLD, J. H.	331
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
417 37689	7B	03291	ARNOLD, J. H.	431
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
417 37690	7B	03291	ARNOLD, J. H.	931
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
417 37691	7B	03291	ARNOLD, J. H.	531
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				

Docket No. 20-0290598

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
417 37692	7B	03291	ARNOLD, J. H. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	131
417 38417	7B	29324	COMPTON, S. W. Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7
417 38762	7B	03372	POOL, FLOYD C. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	2B
417 80404	7B	03217	LONES, H. A. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	2
417 80405	7B	03217	LONES, H. A. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	4
417 80642	7B	03291	ARNOLD, J. H. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	11 A
417 80643	7B	03291	ARNOLD, J. H. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	12 A
417 80644	7B	03291	ARNOLD, J. H. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	13 A
417 80647	7B	03291	ARNOLD, J. H. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	17 A
417 80650	7B	03291	ARNOLD, J. H. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	23A
417 80652	7B	03291	ARNOLD, J. H. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	45
417 80895	7B	03372	POOL, FLOYD C. Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	1
417 83459	7B	11224	LEECH, GLENN ET AL 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	2
429 32394	7B	087603	GUNSIGHT Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	1

Docket No. 20-0290598

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
429 35799	7B	178616	CRAWFORD	4
No approved W-3X on file				
429 35866	7B	185024	CRAWFORD	5
No approved W-3X on file				

Docket No. 20-0290598

# Exhibit A