

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0299777

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, 2015.
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 25 days after the Commission's Order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). 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 Commission Order is signed.

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 8, 2016.)

API Number	District	ID Number	Lease Name	Well Number
083 31778 No approved W-3X on file	7B	15486	RESSIE JAMES	1
095 00281 No approved W-3X on file	7C	06493	CARTER, R. L. -B-	7
095 30106 No approved W-3X on file	7C	06487	CARTER, R. L.	3
095 30148 No approved W-3X on file	7C	06487	CARTER, R. L.	4
095 30165 No approved W-3X on file	7C	06487	CARTER, R. L.	5
095 30388 No approved W-3X on file	7C	06493	CARTER, R. L. -B-	6
095 30422 No approved W-3X on file	7C	06487	CARTER, R. L.	8
095 30423 No approved W-3X on file	7C	06493	CARTER, R. L. -B-	9
095 30441 No approved W-3X on file	7C	06493	CARTER, R. L. -B-	10
095 30473 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7C	08293	MIKESKA, B. J.	1A
095 30476 No approved W-3X on file	7C	08293	MIKESKA, B. J.	4A
095 30498 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7C	03602	CARTER, R. L. "A"	13 U
095 30630 No approved W-3X on file	7C	06493	CARTER, R. L. -B-	11
095 30837 No approved W-3X on file	7C	11609	ELLIS, C. M.	1
095 30837 No approved W-3X on file	7C	16049	ELLIS, C. M.	1
095 30897 No approved W-3X on file	7C	11609	ELLIS, C. M.	2
095 31283 No approved W-3X on file	7C	15503	DANIEL	A 1
095 31446 No approved W-3X on file	7C	170881	KONETA FAYE	1

Docket No. 20-0299777

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
095 31642 No approved W-3X on file	7C	154893	CANNING "A"	1
095 32006 No approved W-3X on file	7C	15353	NITRAM-POPE	1
095 32027 No approved W-3X on file	7C	15353	NITRAM-POPE	4
095 32031 No approved W-3X on file	7C	225762	NITRAM - POPE	3
095 32307 No approved W-3X on file	7C	03602	CARTER, R. L."A"	1A
095 32366 No approved W-3X on file	7C	15353	NITRAM-POPE	7
235 00427 No approved W-3X on file	7C	03504	LINDLEY, HENRY	1
235 00471 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7C	06991	SKELLY-SUGG "45"	1
235 30619 No approved W-3X on file	7C	06902	FARMER -56-	1
235 30730 No approved W-3X on file	7C	06902	FARMER -56-	2
235 30773 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7C	07207	FARMER -57-	1
235 31180 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7C	07373	FARMER "44"	1
235 31181 No approved W-3X on file	7C	07207	FARMER -57-	2
235 31191 No approved W-3X on file	7C	06902	FARMER -56-	3
235 31237 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7C	07207	FARMER -57-	4
235 31239 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7C	07207	FARMER -57-	3
235 31259 No approved W-3X on file	7C	07373	FARMER "44"	2

Docket No. 20-0299777

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
235 31274	7C	06902	FARMER -56-	4
No approved W-3X on file				
235 31284	7C	07207	FARMER -57-	6
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
235 31286	7C	06902	FARMER -56-	5
No approved W-3X on file				
235 31295	7C	07373	FARMER "44"	4
No approved W-3X on file				
235 31297	7C	07207	FARMER -57-	8
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
235 31301	7C	06902	FARMER -56-	6
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
235 31339	7C	07779	FARMAR "44-10"	1
No approved W-3X on file				
235 31373	7C	06991	SKELLY-SUGG "45"	2
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
235 31443	7C	08089	FARMER "43-10"	1
No approved W-3X on file				
235 31519	7C	08089	FARMER "43-10"	2
No approved W-3X on file				
235 31644	7C	08089	FARMER "43-10"	3
No approved W-3X on file				
235 32626	7C	11539	OZARK-LINDLEY "59"	1
No approved W-3X on file				
235 33083	7C	13269	LANGE, A. K.	1
No approved W-3X on file				
335 30745	08	28980	HENDRY	1
No approved W-3X on file				
335 31487	08	25656	MCCABE	1
No approved W-3X on file				
335 32635	08	30247	MCCABE -A-	1
No approved W-3X on file				
335 32673	08	28913	MCCABE -B-	1
No approved W-3X on file				

Docket No. 20-0299777

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
335 32705	08	28972	MCCABE -A-	2
No approved W-3X on file				
335 32982	08	30870	MCCABE -C-	1
Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file				
399 01463	7C	08183	ALLEN, RUFUS -B-	1
No approved W-3X on file				
399 30639	7C	07146	ALLEN, RUFUS	1
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
399 30690	7C	07146	ALLEN, RUFUS	2
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
399 30696	7C	11888	ALLEN, RUFUS	3
No approved W-3X on file				
399 30706	7C	07146	ALLEN, RUFUS	4
No approved W-3X on file				
399 30988	7C	10077	ALLEN, RUFUS "C"	2
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
399 31005	7C	07274	ALLEN, RUFUS "B"	4
No approved W-3X on file				
399 31006	7C	07352	ALLEN, RUFUS "B"	3
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
399 31017	7C	07275	ALLEN, RUFUS "C"	3
No approved W-3X on file				
399 31027	7C	07275	ALLEN, RUFUS "C"	4
No approved W-3X on file				
399 31057	7C	07732	ALLEN, RUFUS "C"	6
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
399 31135	7C	07274	ALLEN, RUFUS "B"	7
No approved W-3X on file				
399 31160	7C	07274	ALLEN, RUFUS "B"	6 A
No approved W-3X on file				
399 31163	7C	07275	ALLEN, RUFUS "C"	9
No approved W-3X on file				
399 31172	7C	07274	ALLEN, RUFUS "B"	9
Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file				

Docket No. 20-0299777

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
399 31173 No approved W-3X on file	7C	07274	ALLEN, RUFUS "B"	8
399 31227 No approved W-3X on file	7C	07274	ALLEN, RUFUS "B"	10
399 31436 No approved W-3X on file	7C	09094	ALLEN, RUFUS "D"	1
399 31533 No approved W-3X on file	7C	09094	ALLEN, RUFUS "D"	3
399 31534 No approved W-3X on file	7C	09094	ALLEN, RUFUS "D"	2
399 32157 Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file	7C	10077	ALLEN, RUFUS "C"	10
399 32158 No approved W-3X on file	7C	07275	ALLEN, RUFUS "C"	11
399 32180 No approved W-3X on file	7C	08184	ALLEN, RUFUS -D-	4
399 32208 No approved W-3X on file	7C	09216	ALLEN, RUFUS "E"	11
399 32287 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7C	07274	ALLEN, RUFUS "B"	12
399 35198 Production fluids must be purged (certify on Form W-3C) No approved W-3X on file	7C	07275	ALLEN, RUFUS "C"	C 14
413 32536 No approved W-3X on file	7C	16943	UPTON, H. C.	4402R
451 31000 Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file	7C	116012	UPTON "A"	1
451 31846 No approved W-3X on file	7C	139624	MUNN "1123"	1

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, 2015, Rule 15(i) requires that you be at least 100% complete with this process. Current W-3C records indicate that you have not met this requirement (83% 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.

Docket No. 20-0299777

Exhibit A