RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL & GAS DOCKET NO. 20-0282975

IN RE: P-5 ORGANIZATION REPORT OF OZ GAS CORPORATION

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. Oz Gas Corporation [Operator #630560] (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 February 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 Oz Gas Corporation's P-5 Organization Report is hereby **DENIED.**

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

It is further ORDERED that Oz Gas Corporation 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 Oz Gas Corporation 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 July 9, 2013.)

OZ GAS CORPORATION
MAY 7, 2013

API Number	District	ID Number	Lease Name	Well Number
105 10955	7C	048331	BAGGETT OZ G	1116
Electricity must be disconnected (certify on Form W-3C)				
105 10957	7C	048332	BAGGETT, JAMES	1117
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
105 30913	7C	068774	BAGGETT, J.M. JR. ETAL	1 A
Electricity must be disconnected (certify on Form W-3C)				
105 31583	7C	076205	BAGGETT, J. M. ET AL	2C
Electricity must be disconnected (certify on Form W-3C)				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
105 33784	7C	104006	PIE PIERCE - WINCHESTER "A"	9081
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
105 34656	7C	109030	ADAMS	1166
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
105 35006	7C	131927	JOHNSON-BAGGETT "164"	1
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
Must resolve District Office field rule violation issue preventing 14(B)(2) approval				

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 FEBRUARY 1, 2013 , 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.

Docket No. 20-0282975

Exhibit A

RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

HEARINGS DIVISION'S
RULE 15 INACTIVE WELL MASTER ORDER

JULY 9, 2013

At a public conference held at its offices in Austin, Texas, the Commission finds that following notice and opportunity for hearing, the Operators listed below failed to timely request a hearing to contest the Staff determinations that they had not complied with inactive well requirements and that, as a result their P-5 Organization Reports were not eligible for renewal. The Final Orders for each of the below referenced dockets are incorporated by reference into this order, and by signing this Master Order, the Commission approves each of the Final Orders and adopts the provisions contained therein.

IT IS ORDERED that renewal of the P-5 Organization Report for each Operator identified on this Master Order is hereby DENIED.

It is further ORDERED that each Operator shall bring the inactive wells identified on its individual order, 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 those wells have been brought into compliance.

It is further ORDERED that each Operator 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.

ITEM NO.	DOCKET NO.	OPERATOR NAME	OPERATOR NO.	RENEWAL DATE
40	20-0282646	Sunray Energy, Inc.	829639	December 1, 2012
41	20-0282954	Adair Resources Inc.	003966	February 1, 2013
42	20-0282955	Advantage Oil Company	008494	February 1, 2013
43	20-0282956	Arc Energy Inc.	028736	February 1, 2013
44	20-0282957	Aspen Operating Company, L.L.C.	035430	February 1, 2013
45	20-0282958	Big Lake J J Oil & Gas, Inc.	069456	February 1, 2013
46	20-0282959	Black Pearl Operating Comp., LLC	072713	February 1, 2013
47	20-0282960	BLM Black Gold Properties, Ltd.	075774	February 1, 2013
48	20-0282961	Britting, Dean	093630	February 1, 2013
49	20-0282962	Brock, J.	095367	February 1, 2013

ITEM NO.	DOCKET NO.	OPERATOR NAME	OPERATOR NO.	RENEWAL DATE
50	20-0282963	Campana Petroleum Company	127700	February 1, 2013
51	20-0282964	Caswell Bros. Oil Co.	139685	February 1, 2013
52	20-0282966	Circle Ridge Production, Inc.	153970	February 1, 2013
53	20-0282968	Cwoc	195818	February 1, 2013
54	20-0282970	Hardin Energy Co., Inc.	355777	February 1, 2013
55	20-0282971	HOCO, Inc.	390667	February 1, 2013
56	20-0282972	Kim Recovery Enterprises, LLC	461694	February 1, 2013
57	20-0282973	Nola Operating, LLC	612442	February 1, 2013
58	20-0282974	Origin Production Company, Inc.	625625	February 1, 2013
59	20-0282975	Oz Gas Corporation	630560	February 1, 2013
60	20-0282977	P.I.D. Drilling Inc	631265	February 1, 2013
61	20-0282978	Pacific Exploration Oper Co, LLC	632802	February 1, 2013
62	20-0282979	Raider Oil & Gas Company	688474	February 1, 2013
63	20-0282980	REH Oil And Gas, LLC.	699280	February 1, 2013
64	20-0282981	Richardson Resources Inc	708778	February 1, 2013
65	20-0282982	SLT Dakota Operating, Inc.	740337	February 1, 2013
66	20-0282983	Safari Production Company, Inc.	743197	February 1, 2013
67	20-0282984	SBS Oil Company	749870	February 1, 2013
68	20-0282985	Sedona Oil & Gas Corp.	763152	February 1, 2013
69	20-0282986	Snow Oil & Gas Inc.	798635	February 1, 2013
70	20-0282987	Swaim, Charles	831570	February 1, 2013
71	20-0282989	Tallgrass Production Company LLC	835586	February 1, 2013
72	20-0282991	Thomas, Mike	854357	February 1, 2013
73	20-0282992	Trofa	871173	February 1, 2013
74	20-0282993	Via, James R.	884916	February 1, 2013
75	20-0282994	Yellow Rose Oil & Gas Oper. Inc.	946964	February 1, 2013

IT IS ORDERED that each referenced Final Order shall become effective when this Order is signed and that a copy of this Order shall be affixed to each Final Order.

Done in Austin, Texas on July 9, 2013.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN BARRY T. SMITHERMAN

COMMISSIONER DAVID PORTER

COMMISSIONER CHRISTI CRADDICK

ATTEST:

Kathy Way

SECRETARY