

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0279311

IN RE: P-5 ORGANIZATION REPORT OF ACE FIELD SERVICES, 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. Ace Field Services, Inc. [Operator #003526] (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 July 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 notifying the Operator of the determination of continued non-compliance, that the Operator had a right to request a hearing, and that the hearing request and non-refundable hearing fee had to be received by the Commission no later than 30 days after the date of the letter. The letter included a list, attached as Exhibit A to this order, of the wells that remained out of compliance with Statewide Rule 15 (16 TEX. ADMIN. CODE §3.15).
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. Denial of renewal of the Operator's P-5 Organization Report is authorized and required by 16 Tex. Admin. Code §3.15(g)(4) and Tex. Nat. Res. Code §§89.022(f).

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 Ace Field Services, Inc.'s P-5 Organization Report is hereby **DENIED**.

It is further ORDERED that Ace Field Services, 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 Ace Field Services, 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 December 11, 2012.)

API Number	District	ID Number	Lease Name	Well Number
039 31199	03	16370	SWEET, E.A. "A"	3
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
039 31381	03	142125	SWEET, E. A. "A"	4
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
039 32434	03	141298	I P FARMS -N-	1
Electricity must be disconnected (certify on Form W-3C)				
Production fluids must be purged (certify on Form W-3C)				
No approved W-3X on file				
167 30152	03	10921	FRED-DAVID UNIT	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 failure preventing 14(B)(2) approval				
169 32444	8A	65204	SWEPI/TXPO JUSTICE	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
169 32623	8A	65204	SWEPI/TXPO JUSTICE	2
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
201 31305	03	16190	ODEN, SYDNOR	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
201 31518	03	16190	ODEN, SYDNOR	2
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
331 00118	01	08171	BALCH, M. W.	2
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 00119	01	08171	BALCH, M. W.	3
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
331 00122	01	08171	BALCH, M. W.	6
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 00125	01	02876	MCGREGOR, T.	3
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 00127	01	02876	MCGREGOR, T.	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 00128	01	03125	MCGREGOR, A. F.	2
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 00129	01	03125	MCGREGOR, A. F.	4
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 00199	01	03550	MCGARY, R. F.	2
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 00795	01	03550	MCGARY, R. F.	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 31170	01	03125	MCGREGOR, A. F.	6
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 31173	01	03550	MCGARY, R. F.	6
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 31380	01	08171	BALCH, M. W.	7
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				

API Number	District	ID Number	Lease Name	Well Number
331 31391	01	08171	BALCH, M. W.	10
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 31459	01	03663	SHELTON, J. W.	2
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 31495	01	08171	BALCH, M. W.	11
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 31797	01	09064	SPAULDING, J. R.	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 32021	01	09064	SPAULDING, J. R.	2
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 32022	01	09064	SPAULDING, J. R.	3
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 32047	01	03125	MCGREGOR, A. F.	24
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 32429	01	09064	SPAULDING, J. R.	6
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 32430	01	09064	SPAULDING, J. R.	5
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 32431	01	09064	SPAULDING, J. R.	4
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				

API Number	District	ID Number	Lease Name	Well Number
331 32606	01	09064	SPAULDING, J. R.	7
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 33265	01	08171	BALCH, M. W.	12
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
331 33266	01	08171	BALCH, M. W.	14
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
331 33267	01	08171	BALCH, M. W.	13
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
331 80341	01	02876	MCGREGOR, T.	2
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 80363	01	03125	MCGREGOR, A. F.	3
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 80364	01	08171	BALCH, M. W.	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 80376	01	03663	SHELTON, J. W.	1
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 80516	01	03125	MCGREGOR, A. F.	5
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
331 80517	01	03550	MCGARY, R. F.	3
Electricity must be disconnected (certify on Form W-3C)				
Surface equipment must be removed (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				

API Number	District	ID Number	Lease Name	Well Number
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331 80538	01	08171	BALCH, M. W.	4
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Electricity must be disconnected (certify on Form W-3C)
Surface equipment must be removed (certify on Form W-3C)
No approved W-3X on file

Must resolve Field Operations H-15 delinquency preventing 14B2 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 JULY 1, 2012, Rule 15(i) requires that you be at least 20% 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.