

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0281609

IN RE: P-5 ORGANIZATION REPORT OF KENNEMER, DARRELL

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. Kennemer, Darrell [Operator #457132] (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 November 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 Kennemer, Darrell's P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that Kennemer, Darrell 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 Kennemer, Darrell 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 May 7, 2013.)

API Number	District	ID Number	Lease Name	Well Number
485 01272	09	09341	RED RIVER OIL COMPANY, ETAL	A 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				
485 05378	09	05453	SMITH, JODIE D.	12
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 11108	09	05453	SMITH, JODIE D.	9
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				
485 21089	09	09341	RED RIVER OIL COMPANY, ETAL	11
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				
485 31039	09	04997	STRINGER, SUE	4
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 31931	09	13875	KEMPNER	14
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 32094	09	05154	CROW, W. E.	15
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 33034	09	04997	STRINGER, SUE	9
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 35564	09	05219	DAUME, FRED	24
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 35565	09	05219	DAUME, FRED	25
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 35751	09	05219	DAUME, FRED	26
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 36138	09	04997	STRINGER, SUE	10
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 36243	09	05219	DAUME, FRED	29
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
485 36289	09	05219	DAUME, FRED	30
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 36588	09	05219	DAUME, FRED	31
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 36590	09	05219	DAUME, FRED	33
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 36621	09	05154	CROW, W. E.	17
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				
485 36811	09	05154	CROW, W. E.	19
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 37642	09	05453	SMITH, JODIE D.	16
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 38201	09	04997	STRINGER, SUE	12
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 38269	09	22381	SMITH, L.D.	4
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				
485 38270	09	22381	SMITH, L.D.	3
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				
485 38271	09	22381	SMITH, L.D.	2
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				
485 38272	09	22381	SMITH, L.D.	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				
485 38499	09	09341	RED RIVER OIL COMPANY, ETAL	12
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				
485 38501	09	09341	RED RIVER OIL COMPANY, ETAL	16
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				

API Number	District	ID Number	Lease Name	Well Number
485 39455	09	20579	DAUME, LYDIA	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				
485 39732	09	05453	SMITH, JODIE D.	18
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
485 42172	09	20579	DAUME, LYDIA	8
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				
485 42488	09	20579	DAUME, LYDIA	10
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
485 43867	09	27990	THOLL, DAUME JONES	78
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				
485 80521	09	04996	SMITH, J. D.	1
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
485 80522	09	04996	SMITH, J. D.	2
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
485 80525	09	04997	STRINGER, SUE	1
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
485 80528	09	04997	STRINGER, SUE	3
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
485 80529	09	04997	STRINGER, SUE	5A
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
485 81859	09	05154	CROW, W. E.	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				
485 81860	09	05154	CROW, W. E.	2
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				
485 81861	09	05154	CROW, W. E.	4
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				

API Number	District	ID Number	Lease Name	Well Number
485 81864	09	05154	CROW, W. E.	12
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				
485 81865	09	05154	CROW, W. E.	16
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				
485 82245	09	05219	DAUME, FRED	2
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
485 82246	09	05219	DAUME, FRED	17
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
485 84137	09	05453	SMITH, JODIE D.	1
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
485 84139	09	05453	SMITH, JODIE D.	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				
485 84140	09	05453	SMITH, JODIE D.	4
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
485 84141	09	05453	SMITH, JODIE D.	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				
485 84144	09	05453	SMITH, JODIE D.	8
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				
485 87618	09	09341	RED RIVER OIL COMPANY, ETAL	2
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				
485 87619	09	09341	RED RIVER OIL COMPANY, ETAL	4
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				
485 87620	09	09341	RED RIVER OIL COMPANY, ETAL	5
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				

API Number	District	ID Number	Lease Name	Well Number
485 87621	09	09341	RED RIVER OIL COMPANY, ETAL	6
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				
485 87622	09	09341	RED RIVER OIL COMPANY, ETAL	7
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				
485 90247	09	13875	KEMPNER	2
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 90251	09	13875	KEMPNER	9
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
485 90252	09	13875	KEMPNER	12
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				

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 NOVEMBER 1, 2012, 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.