

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0290594

IN RE: P-5 ORGANIZATION REPORT OF RADIUS OPERATING, LLC

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. Radius Operating, LLC [Operator #687835] (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 Radius Operating, LLC's P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that Radius Operating, LLC 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 Radius Operating, LLC 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
039 30563	03	10855	CONGREGATION BETH YESHURUN	1
Surface equipment must be removed (certify on Form W-3C) No approved W-3X on file				
083 08274	7B	06522	HAYS, T. M. EST.	13
No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
083 32777	7B	06522	HAYS, T. M. EST.	18
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
083 32902	7B	06522	HAYS, T. M. EST.	20
No approved W-3X on file				
083 32921	7B	06522	HAYS, T. M. EST.	21
No approved W-3X on file				
083 33032	7B	06522	HAYS, T. M. EST.	23
No approved W-3X on file				
083 33033	7B	06522	HAYS, T. M. EST.	24
No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
083 33076	7B	06522	HAYS, T. M. EST.	27
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
083 33098	7B	06522	HAYS, T. M. EST.	28
No approved W-3X on file				
083 33117	7B	06522	HAYS, T. M. EST.	30
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
083 33119	7B	06522	HAYS, T. M. EST.	29
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				
083 33147	7B	06522	HAYS, T. M. EST.	32
No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B)(2) approval				

Docket No. 20-0290594

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
083 33286	7B	06522	HAYS, T. M. EST.	35
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B) (2) approval				
083 80922	7B	06522	HAYS, T. M. EST.	8
No approved W-3X on file				
083 80923	7B	06522	HAYS, T. M. EST.	9
No approved W-3X on file				
083 80924	7B	06522	HAYS, T. M. EST.	10
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
083 80925	7B	06522	HAYS, T. M. EST.	11
Electricity must be disconnected (certify on Form W-3C) No approved W-3X on file				
083 80926	7B	06522	HAYS, T. M. EST.	12
No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B) (2) approval				
083 80928	7B	06522	HAYS, T. M. EST.	14
No approved W-3X on file				
083 80929	7B	06522	HAYS, T. M. EST.	15
No approved W-3X on file				
241 30602	06	13549	TAYLOR, HENRY	1
No approved W-3X on file				
241 30607	06	157334	RAYBURN	6
No approved W-3X on file				
241 30609	06	13449	BROWN, GEORGE W. UNIT #2	2
No approved W-3X on file				
241 30771	06	14902	BLACKSTONE	1
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
405 30156	06	13295	ARCO FEE OIL UNIT	2
No approved W-3X on file				
405 30165	06	13455	ARCO FEE OIL UNIT #5	5
No approved W-3X on file Must resolve District Office field rule violation issue preventing 14(B) (2) approval				
405 30166	06	13454	LONG-BELL OIL UNIT #4	4
No approved W-3X on file				

Docket No. 20-0290594

Exhibit A

API Number	District	ID Number	Lease Name	Well Number
415 33622 No approved W-3X on file	8A	67855	BAYLESS "45"	1
475 31720 No approved W-3X on file	08	25198	CLEMENTS	2
475 32101 No approved W-3X on file	08	25198	CLEMENTS	4
475 32283 No approved W-3X on file	08	25198	CLEMENTS	10
475 82177 No approved W-3X on file	08	25198	CLEMENTS	5
479 05063 No approved W-3X on file	04	045158	CUELLAR, J. V. -C-	2

Docket No. 20-0290594

Exhibit A