

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0283458

HEARING ON THE APPLICATION OF STONEGATE OPERATORS, INC. FOR UNRESTRICTED RENEWAL OF ITS P-5 AND TO CONTEST THE STAFF DETERMINATION THAT ITS P-5 CANNOT BE RENEWED BECAUSE IT HAS NOT COMPLIED WITH THE INACTIVE WELL REQUIREMENTS OF STATEWIDE RULE 15

FINAL ORDER

The Commission finds that after statutory notice the captioned proceedings were heard by the examiners on October 31, 2013. The examiners have circulated a Proposal for Decision containing Findings of Fact and Conclusions of Law. Having been duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, those Findings of Fact and Conclusions of Law are hereby adopted and made a part hereof by reference.

IT IS ORDERED that the application for renewal of the P-5 Organization Report for Stonegate Operators, Inc., Operator No. 823814 is hereby **DENIED**.

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

It is further ORDERED that Stonegate Operators, Inc. shall bring the subject wells 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 have been brought into compliance as required by this order.

It is further ORDERED that Stonegate Operators, 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.

Each exception to the examiner's proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

Noncompliance with the provisions of this order is subject to enforcement by the Attorney General and subject to civil penalties of up to \$10,000.00 per day per violation.

ENTERED in Austin, Texas on this 16th day of September, 2014.

RAILROAD COMMISSION OF TEXAS

Christi Craddick
CHAIRMAN CHRISTI CRADDICK

David Porter
COMMISSIONER DAVID PORTER

Barry T. Smitherman
COMMISSIONER BARRY T. SMITHERMAN

ATTEST:
Kathy Way
SECRETARY

