

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0324213

IN RE: P-5 ORGANIZATION REPORT OF WALLIS ENERGY, 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. Wallis Energy, Inc. [Operator #893997] (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 June 1, 2019.
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 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 Wallis Energy, Inc.'s P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that Wallis Energy, 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 Wallis Energy, 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 25 days after the Commission's Order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). 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 100 days from the date the Commission Order is signed.

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 17, 2019.)

API Number	District	ID Number	Lease Name	Well Number
001 31520	06	183207	ROBERTSON, BYRDIE	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
007 00262	04	224998	FULTON BEACH/C SAND/UNIT	4
No approved W-3X on file				
007 00263	04	14056	SPENCER-KENT-CRANE	3A
No approved W-3X on file				
025 30260	02	140098	SINCLAIR HUNT	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
025 31440	02	07840	HARTZENDORF EST.	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
025 31516	02	06434	BOX, B.A.	1
No approved W-3X on file				
025 33177	02	08734	NORMANNA TOWNSITE UNIT II	1
No approved W-3X on file				
123 31161	02	093829	SMITH, MARY LEE	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
131 10879	04	056752	WORDEN-DROUGHT	1
No approved W-3X on file				
131 11130	04	045236	WORDEN - DROUGHT	9
No approved W-3X on file				
131 20120	04	041674	WORDEN - DROUGHT	8
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
161 00553	05	015432	BARNARD, BEN GAS UNIT	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
215 01853	04	037087	DE RUEDA, EULOGIO	2
No approved W-3X on file				
215 30021	04	047580	TIJERINA UNIT -A-	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
215 30046	04	050953	TIJERINA UNIT -A-	3
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
215 80000	04	010283	STATE OF TEXAS TR. 11	1
No approved W-3X on file				

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
293 30013	05	049015	PARSONS, F. B.	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
293 30781	05	117601	ROARK GAS UNIT	2
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
297 33662	02	07934	MCNEILL	1 B
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
297 34126	02	07988	RIPPSTEIN	1
No approved W-3X on file				
321 31799	03	177604	RUNNELLS	1
No approved W-3X on file				
355 33492	04	193540	BLOSSMAN, ET AL GAS UNIT	1
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
355 33589	04	198754	BLOSSMAN ET AL GAS UNIT	2
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
355 34098	04	14054	CABLA	1
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
355 34104	04	283137	BEVLY	1
Electricity must be disconnected (certify on Form W-3C)				
No approved W-3X on file				
391 02620	02	063138	LAMBERT, J. A.	8
No approved W-3X on file				
391 02947	02	066561	LAMBERT, J. A.	9
No approved W-3X on file				
391 02953	02	061074	HYNES, PHIL	A 1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
391 03093	04	03615	ROCHE, K. D. -E- STATE OIL UNIT	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
391 03102	04	134807	ROCHE, K.D. "E"	10
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
409 00817	04	00772	EWING -F-	2
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
409 00817	04	010286	EWING -F-	2 C
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
409 01444	04	02130	HUNT, J. M.	10
No approved W-3X on file Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
409 01445	04	02130	HUNT, J. M.	1
Production fluids must be purged (certify on Form W-3C) No approved W-3X on file				
409 01446	04	02130	HUNT, J. M.	2
No approved W-3X on file				
409 01450	04	02130	HUNT, J. M.	6
No approved W-3X on file				
409 01452	04	02130	HUNT, J. M.	8
No approved W-3X on file				
409 01974	04	04663	WILLIAMS, JAMES P.	2 U
No approved W-3X on file				
409 01974	04	04651	WILLIAMS, JAMES P.	2 L
No approved W-3X on file				
409 01976	04	120991	WILLIAMS, JAMES P.	4
No approved W-3X on file				
409 31458	04	02130	HUNT, J. M.	11
No approved W-3X on file				
409 31530	04	09978	DIX, THOMAS	1
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
409 32853	04	02957	SIMS	11
No approved W-3X on file Must resolve Field Operations issue preventing 14(B)(2) approval				
409 32858	04	13515	SIMS	12
No approved W-3X on file				
409 80038	04	036337	SIMS, A. LOY	5
No approved W-3X on file				
409 80204	04	00771	EWING -C-	1
No approved W-3X on file Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
409 80205	04	00771	EWING -C-	2
No approved W-3X on file				
409 80207	04	00772	EWING -F-	1
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
409 80330	04	02130	HUNT, J. M.	4A
No approved W-3X on file				
409 80534	04	02957	SIMS	1
No approved W-3X on file				
Must resolve Field Operations issue preventing 14(B)(2) approval				
409 80536	04	02957	SIMS	6
No approved W-3X on file				
Must resolve Field Operations issue preventing 14(B)(2) approval				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
409 80537	04	02957	SIMS	7
No approved W-3X on file				
Must resolve UIC H-5 Test issue preventing 14(B)(2) approval				
Must resolve Field Operations issue preventing 14(B)(2) approval				
409 80538	04	02957	SIMS	10
Production fluids must be purged (certify on Form W-3C)				
No approved W-3X on file				
Must resolve Field Operations issue preventing 14(B)(2) approval				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
409 80558	04	02980	SIMS	8
No approved W-3X on file				
409 81490	04	02957	SIMS	3
No approved W-3X on file				
Must resolve Field Operations issue preventing 14(B)(2) approval				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
427 30318	04	117448	GARZA, RUBEN	1
No approved W-3X on file				
Must resolve Field Operations H-15 delinquency preventing 14B2 approval				
427 32776	04	157438	GUERRA MINERAL TRUST (NCT-III)	6
No approved W-3X on file				
427 33026	04	167441	GUERRA MINERAL TRUST "NCT III"	9
No approved W-3X on file				
427 33026	04	170472	GUERRA MINERAL TRUST "NCT III"	9
No approved W-3X on file				
479 30619	04	058636	PEREZ, AMADO	4
No approved W-3X on file				
479 30660	04	058654	PEREZ, AMADO	7
No approved W-3X on file				
479 35010	04	11774	PEREZ	1
No approved W-3X on file				

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Exhibit A