

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 20-0295655

IN RE: P-5 ORGANIZATION REPORT OF OTEX RESOURCES 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. Otex Resources LLC [Operator #628135] (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 October 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 Otex Resources LLC's P-5 Organization Report is hereby **DENIED**.

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

It is further ORDERED that Otex Resources 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 Otex Resources 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 March 10, 2015.)

API Number	District	ID Number	Lease Name	Well Number
071 01055 No approved W-3X on file	03	127662	FEDERAL	Q 1
071 31159 No approved W-3X on file	03	11073	MAYES -A-	7 A
071 31290 No approved W-3X on file	03	11073	MAYES -A-	31
071 31291 No approved W-3X on file	03	11073	MAYES -A-	30
071 31295 No approved W-3X on file	03	11073	MAYES -A-	33
071 31462 No approved W-3X on file	03	128840	FEDERAL	K 1
157 00228 No approved W-3X on file	03	06070	HILL, LILEA, ETAL	1
157 00229 No approved W-3X on file	03	06070	HILL, LILEA, ETAL	2
157 00230 No approved W-3X on file	03	06070	HILL, LILEA, ETAL	3
157 00315 No approved W-3X on file	03	00443	BLAKELY -B-	9
157 00323 No approved W-3X on file	03	00443	BLAKELY -B-	5
157 00336 No approved W-3X on file	03	00443	BLAKELY -B-	1
157 00337 No approved W-3X on file	03	00443	BLAKELY -B-	2
157 00338 No approved W-3X on file	03	00443	BLAKELY -B-	3
157 00339 No approved W-3X on file	03	00443	BLAKELY -B-	4
157 00340 No approved W-3X on file	03	00443	BLAKELY -B-	6
157 00342 No approved W-3X on file	03	00443	BLAKELY -B-	7
157 00343 No approved W-3X on file	03	00443	BLAKELY -B-	8
157 30996 No approved W-3X on file	03	00443	BLAKELY -B-	10

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
157 31007 No approved	03 W-3X on file	00443	BLAKELY -B-	11
157 31009 No approved	03 W-3X on file	00443	BLAKELY -B-	13
157 31011 No approved	03 W-3X on file	00443	BLAKELY -B-	14
201 06256 No approved	03 W-3X on file	04537	SHELTON, CHARLES M. FEE	5
201 06258 No approved	03 W-3X on file	04537	SHELTON, CHARLES M. FEE	8
201 06259 No approved	03 W-3X on file	04537	SHELTON, CHARLES M. FEE	6
201 06286 No approved	03 W-3X on file	04537	SHELTON, CHARLES M. FEE	4
201 06311 No approved	03 W-3X on file	18027	WALKER ET AL UNIT	1
201 06331 No approved	03 W-3X on file	01836	WRIGHT-ZEAGLER UNIT	1 T
201 06345 No approved	03 W-3X on file	06276	HUMBLE OIL & REFG. CO.	1
201 06579 No approved	03 W-3X on file	01754	BUSCH, H., ETAL -A-	4
201 31549 No approved	03 W-3X on file	16030	BUSCH, H.	3 B
201 31631 No approved	03 W-3X on file	16865	BUSCH SHELTON "B"	2
201 31654 No approved	03 W-3X on file	17029	K.S./JONES	1
201 31655 No approved	03 W-3X on file	16030	BUSCH, H.	4 B
201 31701 No approved	03 W-3X on file	16030	BUSCH, H.	5 B
201 31734 No approved	03 W-3X on file	17741	SHELTON, BUSCH "C"	1
201 31740 No approved	03 W-3X on file	16030	BUSCH, H.	6 B
201 31784 Production fluids must be purged (certify on Form W-3C) No approved	03 W-3X on file	17912	SHELTON, BUSCH "D"	1

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Exhibit A

API Number	District	ID Number	Lease Name	Well Number
201 31832	03	16030	BUSCH, H.	8 B
No approved W-3X on file				
201 31833	03	18095	SHELTON, BUSCH "E"	1
Production fluids must be purged (certify on Form W-3C)				
No approved W-3X on file				
201 31988	03	16030	BUSCH, H.	11 B
No approved W-3X on file				
201 80667	03	01754	BUSCH, H., ETAL -A-	1
No approved W-3X on file				

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Exhibit A