

RECEIVER’S REPLY TO RAILROAD COMMISSION OF TEXAS’ BRIEF AMICUS CURIAE IN OPPOSITION TO RECEIVER’S MOTION TO CONFIRM RECEIVER HAS NO RIGHT, OBLIGATION, OR INTEREST TO OPERATE THE PALO PINTO PIPELINE OR, IN THE ALTERNATIVE, TO ABANDON ANY INTEREST IN THE PALO PINTO PIPELINE

[RELATES TO ECF NOS. 288, 300, 298-1]

TO THE HONORABLE UNITED STATES MAGISTRATE JUDGE HAL R. RAY, JR.:

Deborah D. Williamson, in her capacity as the Court-appointed Receiver (the “Receiver”) for Dodson Prairie Oil & Gas, LLC (“Dodson Prairie”) and the various receivership estates (collectively, the “Receivership Estates”) in the above-captioned case hereby files this *Reply to the Brief Amicus Curiae of the Texas Railroad Commission in Opposition to Receiver’s Motion to Confirm Receiver Has No Right, Obligation, or Interest to Operate the Palo Pinto Pipeline or, in the Alternative, to Abandon Any Interest in the Palo Pinto Pipeline*.¹

The Receiver filed her *Motion to Confirm Receiver Has No Right, Obligation, or Interest to Operate the Palo Pinto Pipeline or, in the Alternative, to Abandon Any Interest in the Palo Pinto Pipeline* (the “Motion”), asking the Court to (1) confirm that she has no right, obligation, or interest to operate the Palo Pinto Pipeline (the “Pipeline”) or in the alternative, (2) to abandon any interest in the Pipeline. The Railroad Commission of Texas (the “Commission” or “RRC”), in a stealth motion disguised as an *amicus curiae* brief (the “RRC Brief”), essentially asks this Court to deem Dodson Prairie² and thus, the Receiver, the “operator,” with all the regulatory responsibilities. It then argues that Court lacks jurisdiction to declare the scope of those responsibilities.³ If the Court

¹ The filing of this Reply does not constitute a waiver of the right of the Receiver to seek to strike the RRC Brief or otherwise object to the substantive relief sought by the RRC in its Brief.

² “Based on representations made to the Commission on the transfer of the PPBC assets, the Commission issued violation notices to the Receiver as the manager of Dodson Prairie Oil & Gas LLC”. *RRC Brief* at p. 3.

³ The RRC argues that granting the Receiver’s Motion would be an advisory opinion; however, a real controversy exists regarding Receivership property—the RRC seeks to hold the Receiver, at the expense of the Receivership, responsible for costs to shut in the Pipeline and address multiple violations at the expense of the Receivership Estates.

grants the Receiver's alternative request to abandon any interest in the pipeline, the RRC asserts that the Court should require that the abandonment be in compliance as an operator with "all applicable rules of Commission," presumably at the sole expense of the entire Receivership Estates, without identifying any such "applicable" rules or conceding that this Court should impose such requirements only if it finds Dodson Prairie is the legally liable operator.

The RRC concedes that neither Dodson Prairie (nor any other receivership party) is not now nor ever was the statutory "operator" of the Pipeline, and that the "operator" of record remains Palo Pinto Bond Company ("PPBC"), which is not a Receivership Entity.⁴ But if any Receivership Estate has any interest in the Pipeline, authorizing its abandonment is the equitable solution and serves the purpose of the Receivership. Granting the Receiver's Motion poses no imminent harm to the RRC or the public as the RRC has recourse to PPBC. The Receiver asks the Court to grant the Motion.

ARGUMENT AND AUTHORITY

I. Neither Dodson Prairie nor any other Receivership Party has the authority or obligation to operate the Pipeline.

Although framed as a jurisdictional challenge, the RRC seeks this Court's blessing to deem the Receiver and/or Dodson Prairie the "operator" of the Pipeline, a status governed by statute, so that the RRC can reach the assets of apparently all of the Receivership Estates outside of this Court's oversight. Whether the statute permits the RRC to deem any Receivership Party the "operator" is a matter of statutory interpretation. "[W]hen an action is inherently judicial in nature, the courts retain jurisdiction to determine the controversy unless the legislature by valid statute has expressly granted exclusive jurisdiction to the administrative body."

Tex. Rice Land Partners, Ltd. v. Denbury Green Pipeline-Texas, LLC, 363 S.W.3d 192, 199 (Tex.

⁴ The Receiver served PPBC with the Motion at 3 different addresses. It did not file an objection. *See* ECF No. 305.

2012). Furthermore, this Court, and only this Court, has the authority to define the Receiver's authority and manage the Receivership Estates.

A. The Texas Administrative Code precludes deeming Dodson Prairie or any other Receivership Party an “operator,” and thus potentially subject to RRC rules regarding the Pipeline.

The RRC concedes that neither Dodson Prairie nor any other Receivership Party is or has ever been the “operator” under the Texas Administrative Code (the “TAC”), which houses the relevant regulatory authority. Whether Dodson Prairie or any other Receivership Party may be liable as a deemed “operator” under statutory authority is indisputably within this Court's jurisdiction particularly where the Court is asked to impose conditions based on such alleged status.

An “operator” is a “person, acting for himself or as an agent for others and *designated to the commission* as the one who has the primary responsibility for complying with its rules and regulations in any and all acts subject to the jurisdiction of the commission.” 16 Tex. Admin. Code § 3.79(19) (emphasis added). The question for this Court, then, is whether Dodson Prairie or any other Receivership Party is or was “designated to the commission” as “having primary responsibility for complying with its rules and regulations.”

RRC rules dictate that “each operator of a pipeline or gathering system . . . subject to the jurisdiction of the RRC shall obtain a pipeline permit, to be renewed annually, from the RRC.” *Id.* at § 3.70 (titled “Pipeline Permits Required”). In a prospective operator's application for this “T-4” permit, the operator certifies (1) acceptance of the obligation to comply with RRC's regulatory requirements, and (2) that this obligation endures unless and until the RRC approves a successor operator:

OPERATOR CERTIFICATION: By signing this certificate, *I acknowledge responsibility for the regulatory compliance* of the listed pipeline(s). I am the person who will respond to any questions concerning the pipeline's construction, operation or maintenance. *I also*

*acknowledge that I will remain designated as the current operator until a new certificate designating a new current operator is approved by the Railroad Commission of Texas.*⁵

By applying for a T-4 permit, then, an operator “designates” itself to the RRC as responsible for complying with the RRC’s rules and regulations; by approving the T-4 permit, the RRC confirms that designation.

The Code also governs the transfer of a T-4 permit:

A pipeline operator who has been issued a permit and is transferring the pipeline or a portion of the pipeline included on the permit to another operator shall file a notification of transfer with the Commission within 30 days following the transfer. An operator may file a fully executed Form T-4B as a notification of transfer.

16 Tex. Admin. Code § 3.70(o). In fact, the RRC cited this provision to PPBC when PPBC tried to deflect its regulatory responsibility to another party.⁶ Form T-4B carries the operator’s certification forward—the “acquiring operator” must certify its acceptance of regulatory responsibility from the divesting operator:

ACQUIRING OPERATOR CERTIFICATION: As the Acquiring Operator, I certify that I am now responsible for the regulatory compliance of the below-listed pipeline(s) . . .⁷

In sum, unless and until one affirmatively takes specific action—applying for a T-4, a process which includes certifying one’s duty to comply with the RRC’s rules and regulations and to continue to do so until a successor operator “designates” its acceptance of such duty—and receives the RRC’s approval, it cannot be “designated to the Commission” as having regulatory responsibility for the Pipeline.

⁵ Ex. M (PPBC’s T-4 permit application). In an effort to avoid confusion, this Reply continues with the identification of Exhibits begun in the Motion.

⁶ Exs. B, I. To aid the Court, this Reply attaches additional copies of exhibits attached to the Motion.

⁷ Ex. N (Commission Form T-4B).

B. The RRC concedes that neither Dodson Prairie nor any other Receivership Party ever applied to become the “designated operator” of the Pipeline.

The RRC concedes that neither Dodson Prairie nor any other Receivership Party ever applied for a T-4. RRC Brief at p. 3. Nor does it claim that it approved Dodson Prairie as a designated “operator,” or that either PPBC or Dodson Prairie initiated, much less completed, the statutorily-mandated transfer process. The additional following facts are also undisputed:

1. PPBC applied to be designated operator of the Pipeline in 2018 (or before).⁸
2. In submitting its T-4 application, PPBC certified (1) its acknowledgement that it would be responsible for regulatory compliance, and (2) that its regulatory obligations endured unless and until a new operator applied and was approved by the RRC.⁹
3. No Receivership Party has applied to become the successor operator.
4. The RRC continues to designate PPBC as “operator” in its database.

C. This Court has jurisdiction to interpret and apply the relevant statutes.

When the court must make an “inherently judicial” determination, it retains jurisdiction. *Basit Mian v. Progressive Cty. Mut. Ins. Co.*, 2020 U.S. Dist. LEXIS 194934 (S.D. Tex. 2020). The interpretation of a statute is “inherently judicial.” *Bexar Metro. Water Dist. v. City of Bulverde*, 156 S.W.3d 79, 90 (Tex. App.—Austin 2004, pet. denied). The courts should defer only when the issue “demands the exercise of administrative discretion requiring the special knowledge, experience, and services of the administrative tribunal to determine technical and intricate matters of fact and a uniformity of ruling is essential to comply with the purposes of the regulatory statute administered.” *Kavanaugh v. Underwriters Life Ins. Co.*, 231 S.W.2d 753, 755 (Tex. 1950). Examples of when deference is appropriate include issues such as well locations, proration assignments, and the like, as such issues are within the RRC’s expertise. *See, e.g., Bexar Metro.*

⁸ Ex. M (PPBC T-4 application)

⁹ *Id.*

Water Dist. v. City of Bulverde, 156 S.W.3d 79, 90 (Tex. App.—Austin 2004, pet. denied). *Sun Oil v. Martin*, 218 F. Supp. 618, 621-625 (S.D. Tex. 1963) (factual determination of existence and extent of gas leak); *Forest Oil Corp. v. El Rucio Land & Cattle Co.*, 518 S.W. 3d 422, 429-430 (Tex. 2017) (claims seeking remediation of the contaminated land would fall under RRC’s primary jurisdiction); *State v. Harrington*, 407 S.W.2d 467, 476 (Tex. 1966) (location of wells within reservoir); *Bullock v. Shell Pipeline Corp.*, 671 S.W.2d 715, 719 (Tex. App.—Austin 1984, writ ref’d) (issuance of a permit to transport oil products by pipeline). But the interpretation of codified law falls uniquely within the province of the courts.

The RRC claims that determining whether the Receiver has a right, obligation, or interest to operate the Pipeline “requires the application of its rules governing gas pipelines.” RRC Brief at p. 4. But the Receiver simply asks Court to determine, under the Code, whether a Receivership Party is the “designated operator,” and thus, potentially subject to the RRC’s rules and regulations with respect to the Pipeline. Stated differently, she asks the Court to confirm that no Receivership Party subjected itself to the T-4 process and/or regulatory responsibility for the Pipeline, as set forth in the TAC. In response, the RRC seeks this Court’s approval to act *outside* of its statutory authority with respect to the Receiver and the Receivership Estates—it asks the Court deem the Receiver subject to regulation as an operator, beyond its statutory authority.

The RRC conflates the *safety and abandonment rules* promulgated under 49 U.S.C. § 60105 (as codified at 49 C.F.R. 192.727, “PHMSA”) and adopted by the RRC, with the TAC’s requisites for the regulatory responsibility of a T-4 operator in order to bring the Receiver within its jurisdiction with respect to the Pipeline. And although the TAC provisions regarding RRC authority over the Pipeline define “operator” as set forth above, the RRC conveniently borrows

the PHMSA's definition of "operator," "a person who engages in the transportation of gas," to bootstrap a broader basis for authority it otherwise lacks under the TAC and its own rules.¹⁰

II. Abandonment is the equitable solution and serves the purpose of the Receivership.

Under the applicable statutes, no Receivership Party has an interest as operator in the Pipeline. If, however, the Court finds that the Receivership Estate includes any right, obligation, and/or interest to operate the Pipeline, the Receiver seeks Court approval to abandon such interest. The RRC concedes the Court's authority to abandon receivership assets. RRC Brief at p. 7.

The Receivership exists to preserve assets for the benefit of third parties. Indeed, the Order Appointing Receiver affirms that "the Court finds that, based on the record in these proceedings, the appointment of a receiver in this action is necessary and appropriate for the purposes of marshaling and preserving all assets of the Defendants and those assets of the Relief Defendants" fairly attributable to Defendants' investors and clients.¹¹ Under the undisputed facts of this case, retaining any interest in the Pipeline would contravene the purpose of the Receivership. Imposing financial responsibility for the Pipeline would drain the Receivership Estate's limited resources to the detriment of those it was established to protect.¹²

The RRC cites *Gillis v. California*, 293 U.S. 62 (1934) to argue that the Receiver must comply with state regulation,¹³ even if it is costly or burdensome. RRC Brief at p. 5. There, a receiver sought to distribute fuel without the costly state-required license. *Id.* at 63. The issue was whether the receiver could transact local business in violation of state statutes applicable to all

¹⁰ The RRC's jurisdiction over pipeline "operators" is found instead at 16 Tex. Admin. Code § 3.79(19) (quoted above). The RRC cites no authority for imbuing itself with personal and subject matter jurisdiction over the Receiver based on Federal pipeline safety standards.

¹¹ Order (first recital)

¹² Furthermore, given the financial and legal circumstances surrounding the Receivership Parties, it is doubtful that they could obtain the necessary insurance to operate.

¹³ The Receiver has not and does not "suggest" that 28 U.S.C. §959(b) is inapplicable. The Receiver cannot "manage or operate" the Pipeline "according to the valid laws of [Texas]" because she does not have a T-4.

other local businesses to avoid spending money. *Id.* at 66. The Court held that the receiver could not operate in disregard of state licensing requirements. *Id.*

If the Receiver here was asking the Court to sanction its operation of the Pipeline without submitting to the T-4 process and its requisite promise to comply with RRC rules and regulations, *Gillis* would apply—the Receiver cannot operate the Pipeline outside of the RRC’s regulatory framework. But here, the Receiver does not seek to manage or operate the Pipeline outside state law. To the contrary, she seeks an order of the Court finding that she *cannot* operate it. To manage the Pipeline without the proper permit, the approval of which depends a demonstrated ability to comply with governing law, *would* violate state law. *Gillis* supports the relief requested in the Motion.

The RRC concedes the Court’s authority to permit abandonment any interest in the Pipeline but, citing 49 C.F.R. 192, urges that “abandonment”—there defined as “permanently remov[ing] from service”—must be in compliance with “all applicable rules and regulation” under that statute. RRC Brief at p. 7. That statute provides, however, that “each *operator* shall conduct abandonment or deactivation of pipelines in accordance with the requirements of this section.” 49 C.F.R. 192.727(a). Unless a Receivership Party is an “operator,” there *are* no “applicable rules and regulations” under the statute.

The RRC conflates “abandonment” of a receivership asset with “abandonment,” as defined in 49 C.F.R. 192.3, of the Pipeline. Under the statute, only an “operator” can “abandon” the Pipeline. The Receiver asks to abandon any interest in the Pipeline—conduct clearly within her authority as granted by this Court—not to “abandon” the Pipeline as an “operator” in contravention of statutory law.

III. Granting the Receiver’s requested relief does not deprive the RRC of a remedy nor pose any imminent health, safety, or environmental issue.

A. Granting the Receiver’s Motion will not create a health, safety, or environmental risk.

The RRC suggests that all abandoned pipelines are, *de facto*, a “safety hazard.” There is no evidence that this Pipeline is a safety hazard. In fact, the RRC’s “Oversight and Safety Division, Pipeline Safety Department,” inspected the Pipeline in September 2021 and identified only failures to maintain written policies or records—the inspector cited no active “safety hazard.”¹⁴ A repeat inspection in September 2022 yielded the same result.¹⁵

B. The RRC can seek (and has sought) redress from PPBC, the “Operator.”

Furthermore, the RRC has a present remedy. PPBC is the designated T-4 operator¹⁶—the operator that affirmed both its regulatory responsibility and the fact that such responsibility continued unless and until the RRC approved a new operator’s request to assume that role:

OPERATOR CERTIFICATION: By signing this certificate, I acknowledge responsibility for the regulatory compliance of the listed pipeline(s). I am the person who will respond to any questions concerning the pipeline’s construction, operation or maintenance. I also acknowledge that I will remain designated as the current operator *until a new certificate designating a new current operator is approved* by the Railroad Commission of Texas.¹⁷

The RRC sent a letter to PPBC demanding that it file a plan to remedy the inspector’s list of violations.¹⁸ This Court should reject the RRC’s attempt to deem the Receiver or Dodson Prairie (and ultimately, the investors) liable for the responsibilities PPBC sought and accepted.

¹⁴ Ex. I.

¹⁵ Ex. J.

¹⁶ The RRC cites *Texas Rice Land Partners, Ltd. V. Denbury Green Pipeline-Texas, LLC*, 363 S.W.3d 192 (Tex. 2012) to contend that issuance of the T-4 to Palo Pinto Bond Company does not mean that PPBC is, in fact, the “operator.” *Denbury* held that a pipeline company could not rely on the RRC’s issuance of a T-4 to conclusively establish its power of eminent domain and shield it from a landowner’s challenge—in other words, *Denbury* establishes the court’s authority to determine whether the RRC’s determination of a party’s operator-status complies with the applicable statute. That is precisely what the Receiver asks the Court to do here—find that the RRC cannot “deem” the Receiver an “operator” under the TAC.

¹⁷ Ex. M (emphasis added)

¹⁸ Ex. H (February 17, 2022 RRC letter); *see also* Ex. I (RRC’s email citing T-4 rule to PPBC).

PPBC acknowledged its responsibility to comply with RRC regulations and to do so unless and until a successor accepted that responsibility and the RRC approved the new operator, neither of which occurred here. Thus, the RRC has a remedy outside of this Receivership.

C. The RRC can file suit or make a claim for costs in this proceeding.

The RRC admits that, under the Natural Resources Code, it “may enforce pipeline safety rules by initiating suits for civil penalties....” RRC Brief at p. 3. If the RRC believes that a Receivership Party has financial responsibility with respect to the Pipeline, it can file a claim with this Court as part of a court approved claim process. Its *amicus* filing effectively asks this Court to grant relief—to deny the Receiver’s request to confirm the lack of interest in or authority with respect to the Pipeline, so that the RRC may pursue Receivership assets outside of the Court’s oversight. The RRC must follow the claims process applicable to all other potential claimants. The RRC may not favor its remedy, but it has one.

CONCLUSION

If the RRC actually believes that it has “...a significant interest in this litigation....” it should file a claim or otherwise intervene and become bound by rulings of this Court. By interjecting its position before the Court as an *amicus curiae*, the RRC apparently seeks to preserve the ability to ask a different tribunal for a different answer.

To the extent the Court considers the RRC’s arguments, they are without merit. No Receivership Party is, or ever was, subject to the RRC’s regulatory authority as “operator” of the Pipeline. And if the Court finds that the Receivership Estates has any interest in the Pipeline, abandonment of any such interest serves the purpose of the Receivership.

Therefore, the Receiver asks the Court to grant the Motion.

Dated: January 3, 2023

Respectfully submitted,

LAW OFFICES OF ROMERO | KOZUB

By: /s/ Rose L. Romero

Rose L. Romero

State Bar No. 17224700

Rose.Romero@RomeroKozub.com

LAW OFFICES OF ROMERO | KOZUB

235 N.E. Loop 820, Suite 310

Hurst, Texas 76053

Telephone: (682) 267-1351

and

Danielle N. Rushing

State Bar No. 24086961

drushing@dykema.com

DYKEMA GOSSETT PLLC

112 East Pecan Street, Suite 1800

San Antonio, Texas 78205

Telephone: (210) 554-5500

Facsimile: (210) 226-8395

COUNSEL TO RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that on January 3, 2023, the foregoing document was served via the Court's CM/ECF system, including counsel for Plaintiff, Securities and Exchange Commission. It was also served via electronic email on:

Mark A. Steinbach
Assistant Attorney General
Environmental Protection Division
Office of the Attorney General
P.O. Box 12548, MC 066
Austin, TX 78711-2548
Email: *Mark.Steinbach@oag.texas.gov*

/s/ Rose L. Romero _____
Rose L. Romero

EXHIBIT B

EMAIL DATED AUGUST 16, 2021

From: <kody@theheartlandgroup.net>
To: "Sean Dyer" <sean.dyer@rrc.texas.gov>
Subject: FW: T4 Permit 03712- ACTION NEEDED
Sent: Tue 9/21/2021 3:01:40 PM (UTC)

Kody Walker
Director of Operations



Direct # 817-991-7573
777 Main St Suite 2160
Fort Worth, Texas 76102
www.theheartlandgroup.net

From: Karley Bisbano <Karley.Bisbano@rrc.texas.gov>
Sent: Monday, August 16, 2021 4:06 PM
To: Toben Scott <Toben@saguaropetroleum.com>; kody@theheartlandgroup.net
Cc: Misty Scott <Misty@saguaropetroleum.com>
Subject: RE: T4 Permit 03712- ACTION NEEDED

Hi Toben,

The transfer has to be initiated by the divesting operator, and it doesn't look like any transfers were submitted on T4 permit 03712 (which is the only active permit under Palo Pinto).

The permit will have to be renewed once and then it will be able to be transferred. It can be transferred to Amen or directly to Heartland – this will depend on what you are able to work out. We are fine with the direct transfer as long as the permit ends up in the correct hands at the end of the day.

In order to receive a T4 permit, the operator needs to have an active P5, so if this is not in place, it will need to be remedied immediately. The P5 group can be reached at P5@rrc.texas.gov.

Once you renew the permit, you will see "Divesting Transfer" as an option under the dropdown Action menu. A full transfer requires a T-4B signed by both operators and a cover letter.

Kody, if you do not have a login setup for the RRC Online, the instructions to set this up can be found here:
<https://www.rrc.texas.gov/forms/online-filing-at-rrc/getting-an-account/>

Let me know if either operator has any questions. Thanks!

Please take a moment to complete the survey via the link below. Your input is greatly appreciated.

Karley Bisbano

Pipeline Safety Permit Specialist
Railroad Commission of Texas
karley.bisbano@rrc.texas.gov

512-463-6828

[Take our Customer Service Survey](#)



From: Toben Scott <Toben@saguaropetroleum.com>
Sent: Monday, August 16, 2021 3:46 PM

Ms. Bisbano,
 Saguaro Petroleum transferred all Palo assets to Amen Oil out of Graham, TX effective June 1st, 2020. Those assets have since been transferred to The Heartland Group from Ft. Worth (Kody is cc'd above) which has a couple of different operating entities. I don't remember whether there any T-4 transfers done back then or not. If not, I'm assuming that Saguaro will need to renew and then transfer to Amen or even more directly to The Heartland group.

Please advise

Toben Scott
 President-Saguaro Petroleum

Sent from my iPhone
 Begin forwarded message:

From: Zayman Villegas <zayman@returndisposal.com>
Date: August 16, 2021 at 1:28:50 PM CDT
To: Toben Scott <Toben@saguaropetroleum.com>, Misty Scott <Misty@saguaropetroleum.com>
Subject: Fwd: T4 Permit 03712- ACTION NEEDED

Thanks,

Zayman Villegas


Sent from my iPhone
 Begin forwarded message:

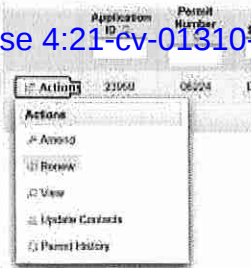
From: Karley Bisbano <Karley.Bisbano@rrc.texas.gov>
Date: August 16, 2021 at 1:28:14 PM CDT
To: Zayman Villegas <zayman@returndisposal.com>
Subject: T4 Permit 03712- ACTION NEEDED

Hi Zayman,

I'm reaching out with this courtesy notice to take action on T4 permit 03712 in the POPS system (Pipeline Online Permitting System). You can login to this platform here: <https://webapps.rrc.texas.gov/security/login.do>. If you don't have a login for RRC Online, let me know and I can send instructions.

The permit recently expired on 05/31/2021 and needs to be renewed ASAP using the "Renew" Action button.

	Application ID	Permit Number	Permit Status	Filing Type	Filing Status	Operator Name	P-5 Number	Permit Type	Class
						PALO PI			
 Actions	26126	03712	Delinquent	Renewal	Issued	PALO PINTO BOND COMPANY, LLC	637403	Gas	P



A renewal submission **requires a cover letter stating the active miles under the permit and an overview map**. You can also view our Permitting & Mapping webpage for more information: <https://rrc.texas.gov/pipeline-safety/permitting-and-mapping/>.

Let me know if you have any questions about the renewal process and I would be more than happy to help out.

Thanks!

Please take a moment to complete the survey via the link below. Your input is greatly appreciated.

Karley Bisbano

Pipeline Safety Permit Specialist

Railroad Commission of Texas

karley.bisbano@rrc.texas.gov

512-463-6828

[Take our Customer Service Survey](#)



EXHIBIT H

**LETTER FROM RRC TO
PALO PINTO BOND COMPANY, LLC**

WAYNE CHRISTIAN, CHAIRMAN
CHRISTI CRADDICK, COMMISSIONER
JIM WRIGHT, COMMISSIONER



STEPHANIE WEIDMAN
PIPELINE SAFETY DIRECTOR

RAILROAD COMMISSION OF TEXAS

OVERSIGHT AND SAFETY DIVISION PIPELINE SAFETY

February 17, 2022

455-21

Andrew Day, Manager
PALO PINTO BOND COMPANY, LLC
1509 W Wall St Ste 100
Midland, TX 79701

Re: Pipeline Safety Evaluation
Inspection Package Number: INSPPKG-0000070971
UNIT OF COMPANY ID 9339

(All correspondence must include the Inspection Package Number)

Dear Andrew Day:

Our letter of January 3, 2022 requested a plan of correction for alleged violations cited in the above-referenced inspection package no later than February 2, 2022. To date, the requested verification has not been received.

The plan must be received in this office no later than March 18, 2022. Please provide documentation verifying corrective action taken once corrective action is complete. You may send your plan of correction and documentation by email to safety@rrc.texas.gov, or by mail. Failure to comply with this request will result in referral to the General Counsel Division for the appropriate action.

If you have any questions, please do not hesitate to contact the Oversight and Safety Division by email at safety@rrc.texas.gov or by phone at 512-463-7058.

Sincerely,

Stephanie Weidman
Pipeline Safety Director

Enclosure: Safety Evaluation Summary
Alleged Violation List

FEB 24 2022

EXHIBIT I

MARCH 3, 2022 RRC NOTICE TO PPBC

Subject: RE: Palo Pinto Bond Company: Pipeline Safety Evaluation--Inspection Package Number: INSPPKG-0000070971 Unit of Company ID 9339
From: Nicholas Owojori <nicholas.owojori@rrc.texas.gov>
Date: 3/3/2022, 10:07 AM
To: Toben Scott <Toben@saguaropetroleum.com>
CC: Safety <Safety@rrc.texas.gov>, Misty Scott <Misty@saguaropetroleum.com>, "andrewbday@frogsfuel.brcocmail.com" <andrewbday@frogsfuel.brcocmail.com>, "will@powersenergyconsulting.com" <will@powersenergyconsulting.com>, Garry Starr <starrjr.garry@yahoo.com>, Vicki Palmour <vicpalmour@vickipalmourconsulting.com>, "kody@theheartlandgroup.net" <kody@theheartlandgroup.net>, Raymond Hafner <rhafner@rreeselaw.com>

Mr. Scott,

Per State Rule 16TAC 3.70 (o) "A pipeline operator who has been issued a permit and is transferring the pipeline or a portion of the pipeline included on the permit to another operator shall file a notification of transfer with the Commission within 30 days following the transfer. An operator may file a fully executed Form T-4B as a notification of transfer". In a nutshell, PALO PINTO is required to file a T-4B permit with the Railroad Commission (see copy attached).

Our records did not indicate a T-4B permit was submitted. Please verify and send us a copy if available. Thank you.

Regards,
Nicholas Owojori

From: Toben Scott <Toben@saguaropetroleum.com>
Sent: Thursday, March 3, 2022 8:53 AM
To: Nicholas Owojori <nicholas.owojori@rrc.texas.gov>
Cc: Safety <Safety@rrc.texas.gov>; Misty Scott <Misty@saguaropetroleum.com>; andrewbday@frogsfuel.brcocmail.com; will@powersenergyconsulting.com; Garry Starr <starrjr.garry@yahoo.com>; Vicki Palmour <vicpalmour@vickipalmourconsulting.com>; kody@theheartlandgroup.net; Raymond Hafner <rhafner@rreeselaw.com>
Subject: RE: Palo Pinto Bond Company: Pipeline Safety Evaluation--Inspection Package Number: INSPPKG-0000070971 Unit of Company ID 9339

CAUTION: This email originated from outside of the Railroad Commission of Texas. Do NOT click links or open attachments from unknown sources without first confirming the message is legitimate. If you believe this to be a malicious and/or phishing email, please contact the ITS Help Desk at 512-463-7229. Do not respond to or forward the email, click on any links or open any attachments without guidance from the Help Desk

Mr. Owojori,

Please see attached:

-Fully executed Letter Agreement ("...being executed in conjunction with that certain Assignment and Bill of Sale...") between the original shareholders in Palo Pinto Bond Company (Venture Strong II, R&D Royalties, ELSR, 2010 Scott Family Trust, John R. Bertsch, EH-Sable,.....etc.) showing an effective date of July 1st 2020 and further stating the Buyer should return the corporate Records if the Assignment terminated or failed to be executed.

-Fully executed Palo Pinto Bond Company to Amen Oil Stock Purchase Agreement showing July 1st effective date

-Fully executed Assignment and Bill of Sale between the original shareholders of Palo Pinto Bond Company and Amen Oil, LLC with an effective date of June 1st. In particular, Paragraph (d) specifies that pipelines, gathering lines, and flow lines are all considered to be considered in the transferred assets

I trust that this information will fully satisfy the discrepancy and lack of full and legal transfer of the assets and liabilities in subject

Sincerely,

Toben Scott

From: Nicholas Owojori <nicholas.owojori@rrc.texas.gov>
Sent: Thursday, March 3, 2022 12:10 AM
To: Toben Scott <Toben@saguaropetroleum.com>
Cc: Safety <Safety@rrc.texas.gov>
Subject: RE: Palo Pinto Bond Company: Pipeline Safety Evaluation--Inspection Package Number: INSPPKG-0000070971 Unit of Company ID 9339

Mr. Scott,

Send us a copy of "notification of transfer" or any documentation to substantiate sale or transfer of the pipeline assets previously operated by Palo Pinto Bond Company. Thank you.

Regards,



Nicholas Owojori
Project Manager | Pipeline Safety
Oversight & Safety Division
Railroad Commission of Texas
346-221-6647
[Take our Customer Service Survey](#)



From: Toben Scott <Toben@saguaropetroleum.com>
Sent: Saturday, February 26, 2022 11:11 AM
To: Safety <Safety@rrc.texas.gov>
Cc: Misty Scott <Misty@saguaropetroleum.com>; Garry Starr <starrjr.garry@yahoo.com>; Vicki Palmour <vicpalmour@vickipalmourconsulting.com>; kody@theheartlandgroup.net; will@powersenergyconsulting.com; andrewbday@frogsfuel.brcoxmail.com; Raymond Hafner <rhafner@rreeselaw.com>
Subject: Palo Pinto Bond Company: Pipeline Safety Evaluation--Inspection Package Number: INSPPKG-0000070971 Unit of Company ID 9339

CAUTION: This email originated from outside of the Railroad Commission of Texas. Do NOT click links or open attachments from unknown sources without first confirming the message is legitimate. If you believe this to be a malicious and/or phishing email, please contact the ITS Help Desk at 512-463-7229. Do not respond to or forward the email, click on any links or open any attachments without guidance from the Help Desk

Ms. Weidman:

My name is Toben Scott and I am a representative and former co-shareholder of the subject Palo Pinto Bond

Company. I am writing today in response to your letter dated February 17, 2022 addressed to former co-shareholder Andrew Day-Manager stating that there was a former letter dated January 3rd, 2022 requesting a plan of correction for alleged violations with a deadline of February 22nd and stating a new deadline of March 18th. The former owners of Palo Pinto Bond Company, including myself and Andrew Day, sold the stock in PPBC and executed a Stock Purchase Agreement with Garry Starr of Amen Oil in Graham, TX with an effective date of 7/1/2020 along with an assignment of all of the respective oil and gas assets in Palo Pinto County. These assets would have included the pipelines referred to in your letter. It is my understanding that Garry Starr/Amen Oil then subsequently entered into a separate agreement with The Heartland Group from Ft. Worth, TX, under operating entities Dodson Prairie and Panther Creek, to take over the same subject assets. It is my further understanding that the Heartland Group is under federal investigation and a receiver has been assigned by the court to oversee the assets in the interim. I personally e-mailed the prior January 3rd letter from your office to Garry Starr-Amen Oil, Vicki Palmour-Contract Regulatory Consultant on behalf of Amen Oil and the court appointed Receiver, and to The Heartland Group and never received back and answer from either entity. My argument today is that Palo Pinto Bond Company should have no legal or regulatory responsibility to any former pipeline assets that were owned by our group via the executed PSA and asset assignment. I believe the reason that Andrew Day-Manager is still the subject recipient and it is Saguaro Petroleum's address (my operating company) shown is because Garry Starr-Amen Oil never filed the P-5 Change of Operator forms with RRC to change the entity information. Representing all of the former shareholders in PPBC, I will be initiating legal actions against Amen Oil this coming week due to this immediate matter and also for the fact that Amen Oil also never replaced the RRC bond under the original shareholders' names and is keeping us from being refunded our \$50,000 bond. Regardless of subsequent dealings between Amen Oil and The Heartland Group, our immediate legal claims can only be with Garry Starr at Amen Oil.

Please let me know what other information that I might be able to provide to prove the facts as I have demonstrated above. I am away from my office and server today but will again have access on Monday.

Sincerely,

Toben Scott

PIPELINE TRANSFER CERTIFICATION

FORM T-4B
4/2018

Railroad Commission of Texas
Oversight and Safety Division-Pipeline Safety
Permitting and Mapping Section



ACQUIRING OPERATOR: _____ P-5# _____

Address: _____

City State Zip: _____

Acquiring operator agrees this is a total transfer of the Permit # listed below Yes No

If No, are the lines being added to an existing permit currently held by the acquiring operator?

Yes: into permit # _____ No, the acquiring operator is applying for a new permit for these lines.

OPERATOR CERTIFICATION: By signing this certificate, I acknowledge the above named acquiring operator is now responsible for the regulatory compliance of the listed pipeline(s).

Name (print) Signature Date (mo/day/2 digit year)

Title Phone Email

[click here to link to instructions for this form](#)

Effective Date of Transfer _____

DIVESTING OPERATOR: _____ P-5# _____

Address: _____

City State Zip: _____

Is this a total transfer of all the pipelines shown on the Permit # below Yes No

If No, list the names or other identification of the lines being transferred and the total mileage being transferred. Attach a page if more space is needed:

OPERATOR CERTIFICATION: As the divesting operator, I certify that operating responsibility for the above listed pipeline(s) currently operating under Permit # _____ are transferred to the above named acquiring operator.

Name (print) Signature Date (mo/day/2 digit year)

Title Phone Email

EXHIBIT J

**EXECUTIVE CLOSING
DATED SEPTEMBER 2, 2022**



Railroad Commission of Texas
Oversight and Safety Division
Pipeline Safety Department

Executive Closing

INSPECTION PACKAGE NUMBER: INSPPKG-0000079802

Operator: (0702) DODSON PRAIRIE OIL & GAS LLC

Unit: (32310) DODSON PRAIRIE O&G LLC/REG 6 GAS

Systems: For a complete listing of systems evaluated, refer to the Inspection Package. Systems found not to be in violation are excluded from the Executive Closing document. **Alleged violations are listed per system below.**

Date of Executive Closing: 09/02/2022

Operator Personnel Attending/Participating in the Executive Closing

Scott Robinowitz - Oil & Gas Contractor

Vicki Palmour - Regulatory Consultant

Commission Personnel Attending/Participating in the Executive Closing

Sean Dyer - Inspector

The following alleged violation(s) were identified during the Pipeline Safety Evaluation / Inspection / Investigation and will be detailed within the official correspondence with the Company Executive, to follow. These observations are preliminary and are subject to further evaluation and modification.

System: SYSTEM OF COMPANY ID 0702

1. Regulation: Title 16, 8.1 (b)(4)

All operators of pipelines and/or pipeline facilities regulated by this chapter, other than master metered systems and distribution systems, shall comply with §3.70 of this title (relating to Pipeline Permits Required).

Violation Note: Title 16, 8.1 (b)(4)

The operator did not have a current T-4 permit associated with the gas gathering system it acquired from Palo Pinto Bond Company, LLC. T-4 Permit #03712 is still listed under Palo Pinto Bond Company, LLC and has not been transferred over. Repeat violation from INSPPKG-0000076951.

2. Regulation: 49 CFR 192.614(a)

The operator had a buried pipeline and did not carry out, in accordance with 49 CFR Part 192.614, a written program to prevent damage to that pipeline from excavation activities, including excavation, blasting, boring, tunneling, backfilling, removal of aboveground structures by either explosive or mechanical means, and other earth moving operations.

Violation Note: 49 CFR 192.614(a)

The operator did not establish a written Damage Prevention Program. Repeat violation from INSPPKG-0000076951.

3. Regulation: 49 CFR 192.616 (a)

The operator did not develop and implement a written continuing public education and awareness program following the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162.

Violation Note: 49 CFR 192.616 (a)

The operator did not establish a written Public Awareness Program. Repeat violation from INSPPKG-0000076951.

4. Regulation: 49 CFR 199.101 (a)

The operator did not have a written anti-drug plan that conforms to Part 199 and/or DOT Procedures.

Violation Note: 49 CFR 199.101 (a)

The operator did not have a written Anti-Drug Plan. Repeat violation from INSPPKG-0000076951.

5. Regulation: 49 CFR 199.202

The operator did not have a written alcohol misuse plan that conforms to Part 199 and/or DOT Procedures.

Violation Note: 49 CFR 199.202

The operator did not have a written Alcohol Misuse Plan. Repeat violation from INSPPKG-0000076951.

6. Regulation: Title 16, 8.205

There were no written procedures for reporting natural gas leak complaints.

Violation Note: Title 16, 8.205

The operator did not have written procedures for handling natural gas leak complaints on its pipelines. Repeat violation from INSPPKG-0000076951.

7. Regulation: 49 CFR 192.619(a)

A maximum allowable operating pressure was not established for the system.

Violation Note: 49 CFR 192.619(a)

The operator did not establish the maximum allowable operating pressure of the C. B. "A" Long 1, 4" gas gathering system nor did the operator have records demonstrating what the MAOP of the pipeline system was since acquiring the gas gathering system from Palo Pinto Bond Company, LLC in May 2021. Repeat violation from INSPPKG-0000076951.

8. Regulation: 49 CFR 192.709(c)

A record of each patrol, survey, inspection or test required by Subparts L and M were not being maintained.

Violation Note: 49 CFR 192.709(c)

The operator did not have records demonstrating compliance with Subparts L & M. Repeat violation from INSPPKG-0000076951.

9. Regulation: 49 CFR 192.609(a)

Population density increases indicate a change in the class location(s) for steel pipeline segments that operated at a hoop stress or more than 40 percent of SMYS, and a study had not been made to determine the segments' present class location.

Violation Note: 49 CFR 192.609(a)

The operator had not performed a class location study to confirm the class location of the pipeline segment running by the ALR Center (recreation center) operated by the Sundance Club at the 7R Ranch in Gordon, TX. Repeat violation from INSPPKG-0000076951.

10. Regulation: 49 CFR 192.491(b)

Records or maps required by 49 CFR 192.491(a) were not maintained for the listed pipeline.

Violation Note: 49 CFR 192.491(b)

The operator did not have records demonstrating compliance with Subpart I. Repeat violation from INSPPKG-0000076951.

11. Regulation: 49 CFR 192.707(c)

September 2, 2022

Page 4

Line markers were not placed or maintained along the following publicly accessible, aboveground main or transmission line section:

Violation Note: 49 CFR 192.707(c)

The operator did not maintain pipeline markers along the right-of-way of the pipeline running by the ALR Center (recreation center) operated by the Sundance Club at the 7R Ranch in Gordon, TX. Repeat violation from INSPPKG-0000076951.

12. Regulation: Title 16, 8.51(a)

The gas or liquids company did not have on file with the Commission an approved organization report Form P-5.

Violation Note: Title 16, 8.51(a)

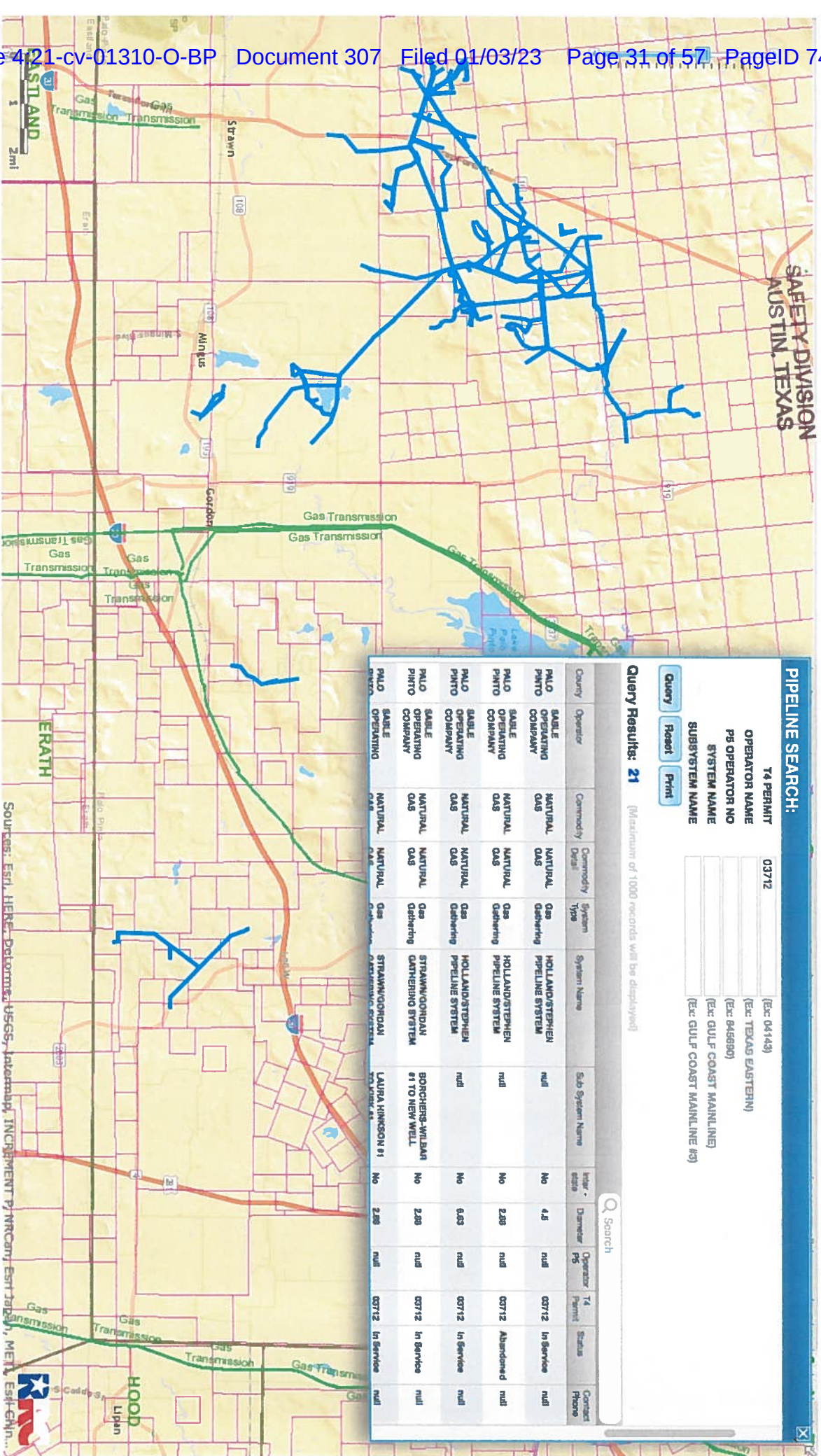
The operator did not have an approved P-5 Organization Report on file with the Commission. P-5 # 221932 currently shows as delinquent.

EXHIBIT M

T-4 APPLICATION PPBC 2018

RECEIVED
 RRC OF TEXAS
 NOV 01 2016

SAFETY DIVISION
 AUSTIN, TEXAS



PIPELINE SEARCH:

T4 PERMIT: 03712 (Ex: 04143)

OPERATOR NAME: (Ex: TEXAS EASTERN)

PR OPERATOR NO: (Ex: 045690)

SYSTEM NAME: (Ex: GULF COAST MAINLINE)

SUBSYSTEM NAME: (Ex: GULF COAST MAINLINE #3)

Buttons: Query, Reset, Print

Query Results: 21 (Maximum of 1000 records will be displayed)

County	Operator	Commodity	Commodity Detail	System Type	System Name	Sub System Name	Inter-estate	Diameter	Operator P#	T4 Permit	Status	Contact Phone
PAULO PRITO	SAFLE OPERATING COMPANY	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM	null	No	4.8	null	03712	In Service	null
PAULO PRITO	SAFLE OPERATING COMPANY	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM	null	No	2.88	null	03712	Abandoned	null
PAULO PRITO	SAFLE OPERATING COMPANY	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM	null	No	0.83	null	03712	In Service	null
PAULO PRITO	SAFLE OPERATING COMPANY	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM	BONCHERS-WILBAR #1 TO NEW WELL	No	2.88	null	03712	In Service	null
PAULO PRITO	SAFLE OPERATING COMPANY	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM	LAURA HINCKSON #1	No	2.88	null	03712	In Service	null

Sources: Esri, HERE, DeLorme, USGS, Intermap, Increment P, NRCAn, Esri Japan, MELI, Esri-Gl...



APPLICATION FOR PERMIT TO OPERATE A PIPELINE

Natural Gas Pipelines

(See 16 Texas Administrative Code §3.70)

Form T-4

Rev. 02/2016

Railroad Commission of Texas
Oversight and Safety Division
Pipeline Safety Department
Permitting/Mapping



RECORDED
RRC OF TEXAS
NOV 01 2016
SAFETY DIVISION
AUSTIN, TEXAS

Permit Number 03712

ORGANIZATIONAL INFORMATION

1. Operator Name: Palo Pinto Bond Company, LLC P-5 No.: 637403
 Operator Address:
8700 Manchaca, Ste. 506, Austin, TX 78748

2. Does the operator identified in item 1 own the pipeline? Yes No If "No", give name and address of owner
 Owner Name:
 Owner Address:

3. Does the operator control the economic operations of the pipeline? Yes No If "No", provide name, address, and P5# of economic operator
 Eco. Operator Name: P-5 No.:
 Eco. Operator Address:

PIPELINE INFORMATION

1. Mark the appropriate box for each of the following questions:
 a) New permit? Yes No New Construction Report Number: NC
 b) Renewal for same operator? Yes No
 c) Extensions or modifications? Yes No
 d) Change in Operator or Ownership? Yes No
 If "Yes", submit Form T-4B with this application
 Total Permit Miles: 109.700
 (after all changes)

2. Mark the appropriate box for each of the following questions:
 a) Are the pipelines covered under this permit: Interstate Intrastate
 b) Commodity transported: Natural Gas Full Gas Well Stream Gas - Other (specify): _____
 c) Does the commodity contain H2S? Yes No If "Yes", at what concentration? _____ ppm
 d) Requested Pipeline Classification (Gas Utility or Private Pipeline): Private Pipeline
 e) Does pipeline use any public highway or road, railroad, public utility easement, or other gas utility right-of-way? Yes No
 f) Does the pipeline carry only the gas produced by the operators? Yes No If "No", select the activity below:
 Purchased from others Owned by others but transported for a fee Both purchased from and transported for others
clear f)

3. Select the purpose being sought for the pipeline.
 Transmission Gas Lift
 Gathering Gas Plant
 Gas Injection Own Consumption

Basis for Requested Classification

Select the basis supporting a requested classification of Private Pipeline. If requesting Gas Utility status select the Not Applicable block below.

- This pipeline ONLY handles natural gas produced by the operator (and is not already a Gas Utility due to other operations).
- The purpose of this pipeline is solely for the operator's own consumption.
- This pipeline is Interstate (gathering).
- While this pipeline handles natural gas other than the operator's own production, it meets the standards set forth in Texas Utility Code §121.005 (in-or-within the vicinity of the field where produced, and no condemnation ever used and no Town Border/City Gate deliveries). Attach a Non-Utility Certificate to support a Private Pipeline classification.
- Other. Attach a Sworn Statement to support the basis for Private Pipeline status.
- Not Applicable. Operator is requesting Gas Utility status.

APPLICATION FOR PERMIT TO OPERATE A PIPELINE IN TEXAS (cont.)
Natural Gas Pipelines

Maps of Pipeline Indicate below if maps are attached to this application or being submitted concurrently separately.

- An overview map (24" x 24" / 1" = 20 miles or less) Attached Submitted Separately
- Digital shape files for new, added, removed, or transferred pipelines. Attached Submitted Separately

Affirmation When requesting Gas Utility status, the following affirmation must be made.

- The applicant attests that they have read and understand the eminent domain provisions in Texas Property Code, Chapter 21, and the Texas Landowner's Bill of Rights as published by the Office of Attorney General of Texas.

Attached Documentation Indicate below all of the attachments for this application

- Form PS-48, *New Construction Report*
- Form T-4B, *Pipeline Transfer Certification*
- Non-Utility Certificate
- Overview Map
- Other(s). Brief description of purpose(s): _____

RECEIVED
RRC OF TEXAS
 NOV 01 2016
SAFETY DIVISION
AUSTIN, TEXAS

PIPELINE CONTACT INFORMATION

Related to the Construction, Operation and Maintenance of the pipeline

Name: Michael Regino	Title: Operator
Address: 1311 W. Texas, Midland, TX 79701	
Phone: (254) 485-3118	Email:

Related to the Permit Application Packet

Name: Will Powers	Title: TX Resident Agent
Address: 8700 Manchaca, Ste. 506, Austin, TX 78748	
Phone: (512) 964-7555	Email: will@powersenergyconsulting.com

Related to Mapping / GIS

Name: Will Powers	Title: TX Resident Agent
Address: 8700 Manchaca, Ste. 506, Austin, TX 78748	
Phone: (512) 964-7555	Email: will@powersenergyconsulting.com

Each pipeline permit must contain at least one System, with at least one Segment. The following page(s) contain System and Segment information related to this permit application.

If this is an annual renewal with no changes to the required information so indicate below or continue with System and Segment data.
 Annual Renewal with no changes System and Segment information to follow

CERTIFICATE: I declare under penalties in Section 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge.

Signature  Title TX Resident Agent Date 10/19/2016

PIPELINE TRANSFER CERTIFICATION

FORM T-4B

(Applicant must file a Form T-4 with this certificate)

RECEIVED

3/2015

Railroad Commission of Texas
Oversight and Safety Division-Pipeline Safety
Permitting and Mapping Section



RRC OF TEXAS

NOV 01 2016

SAFETY DIVISION
AUSTIN, TEXAS

P-5# 637403

ACQUIRING OPERATOR: Palo Pinto Bond Company, LLC

Address: 8700 Manchaca, Ste. 506

City State Zip: Austin, TX 78748

Does the above named operator own the pipeline(s)? Yes No

If "no", give owner's name and address _____

OPERATOR CERTIFICATION: By signing this certificate, I acknowledge responsibility for the regulatory compliance of the listed pipeline(s). I am the person who will respond to any questions concerning the pipeline's construction, operation or maintenance. I also acknowledge that I will remain designated as the current operator until a new certificate designating a new current operator is approved by the Railroad Commission of Texas.

Will Powers

10/18/2016

Name (print)

Signature

Date

TX Resident Agent

(512) 964-7555

will@powersenergyconsulting.com

Title

Phone

Email

DIVESTING OPERATOR: Sable Operating Company

P-5# _____

Address: 12222 Merit Drive, #1850

City State Zip: Dallas, TX 75251

Did the above named operator own the pipeline(s)? Yes No

If "no", give owner's name and address _____

OPERATOR CERTIFICATION: Being the previous operator, I certify that operating responsibility for Strawn-Gordon _____ pipeline(s) listed on Form T-4A for Permit # 03712 _____ has been transferred to the above named operator. I understand, as previous operator, that designation of the above named operator as current operator is not effective until this certification is approved by the Railroad Commission of Texas.

Michael Galvis

10/28/2016

Name (print)

Signature

Date

President & CEO

972 770-4700

Title

Phone

Please mail completed Forms T-4B and T-4 to: Railroad Commission of Texas, Oversight and Safety Division, Pipeline Permitting and Mapping Section, P. O. Box 12967, Austin, TX 78711-2967. For questions, call 512-463-7058.

The Railroad Commission does not discriminate on the basis of race, color, national origin, sex, religion, age, or disability in employment or the provision of services. TDD/TDY (512) 463-7284

CHRISTI CRADDICK, CHAIRMAN
RYAN SITTON, COMMISSIONER
WAYNE CHRISTIAN, COMMISSIONER

KARI FRENCH,
DIVISION DIRECTOR



RAILROAD COMMISSION OF TEXAS

OVERSIGHT AND SAFETY DIVISION - PIPELINE SAFETY

PIPELINE PERMITTING AND MAPPING SECTION

PERMIT TO OPERATE A PIPELINE IN TEXAS

11/06/2018

Permit Number: 03712
Commodity transported: Gas
Classification: Private
Payment Trace Number:

PALO PINTO BOND COMPANY, LLC
Attn: Zayman Villegas
1509 W Wall St., Ste. 100
Midland, TX 79701

This is to certify that PALO PINTO BOND COMPANY, LLC has complied with Railroad Commission rule 16 Tex. Admin. Code §3.70 governing pipelines in accordance with Texas Natural Resources Code, §81.051, and is granted this permit by the Commission to operate the following pipeline or pipelines located in the following county or counties:

PALO PINTO

Total Permitted Miles: 101.34

Regulated Miles: 0.00

Unregulated Miles: 101.34

Pipeline Operator:	Economic Operator:	Pipeline Owner:
PALO PINTO BOND COMPANY, LLC	PALO PINTO BOND COMPANY, LLC	PALO PINTO BOND COMPANY, LLC

This permit is valid until 11/01/2018

If additional information is needed, please contact the Pipeline Permitting Section by phone at 512-463-7058, or by email at pops@rrc.texas.gov



Cover Letter

T4 Permit: 03712

To whom it may concern,

I am strictly amending to update my classification. The purpose of this amendment is to update information missing in the Texas Railroad Commission "POPS" system. No mapping is included in this amendment.

I certify that as an employee of Saguaro Petroleum (637403), who is the contract operator on behalf of Palo Pinto Bond Company (743325) that I am authorized to submit the subject pipeline amendment and renewal.

Regards,

Zayman Villegas
Engineer, Saguaro Petroleum
zayman@saguaropetroleum.com
(o) 432-262-1105

APPLICATION FOR PERMIT TO OPERATE A PIPELINE IN TEXAS
Natural Gas Pipelines
 (See 16 Texas Administrative Code §3.70)

Form T-4
 Rev. 02/2016

Railroad Commission of Texas
 Oversight and Safety Division
 Pipeline Safety Department
 Permitting/Mapping



Permit Number 03712

ORGANIZATIONAL INFORMATION			
1. Operator Name: Palo Pinto Bond Company, LLC	P-5 No.: 637403		
Operator Address: 1509 W Wall St., Ste. 100 Midland, TX 79703			
2. Does the operator identified in item 1 own the pipeline? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "No", give name and address of owner			
Owner Name: Owner Address:			
3. Does the operator control the economic operations of the pipeline? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "No", provide name, address, and P5# of economic operator			
Eco. Operator Name:	P-5 No.:		
Eco. Operator Address:			
PIPELINE INFORMATION			
1. Mark the appropriate box for each of the following questions:			
a) New permit? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	New Construction Report Number: <u> </u> NC <u> </u>		
b) Renewal for same operator? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
c) Extensions or modifications? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
d) Change in Operator or Ownership? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
If "Yes", submit Form T-4B with this application			
Total Permit Miles: <u>109.700</u> (after all changes)			
2. Mark the appropriate box for each of the following questions:			
a) Are the pipelines covered under this permit: <input type="checkbox"/> Interstate <input checked="" type="checkbox"/> Intrastate			
b) Commodity transported: <input checked="" type="checkbox"/> Natural Gas <input type="checkbox"/> Full Gas Well Stream <input type="checkbox"/> Gas – Other (specify): _____			
c) Does the commodity contain H2S? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", at what concentration? _____ ppm			
d) Requested Pipeline Classification (Gas Utility or Private Pipeline): <u>Private Pipeline</u>			
e) Does pipeline use any public highway or road, railroad, public utility easement, or other gas utility right-of-way? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
f) Does the pipeline carry only the gas produced by the operators? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "No", select the activity below: <input type="checkbox"/> Purchased from others <input type="checkbox"/> Owned by others but transported for a fee <input type="checkbox"/> Both purchased from and transported for others <small>clear f) ☉</small>			
3. Select the purpose being sought for the pipeline.			
<input type="checkbox"/> Transmission	<input type="checkbox"/> Gas Lift		
<input type="checkbox"/> Gathering	<input type="checkbox"/> Gas Plant		
<input type="checkbox"/> Gas Injection	<input type="checkbox"/> Own Consumption		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Basis for Requested Classification</td> <td>Select the basis supporting a requested classification of Private Pipeline. If requesting Gas Utility status select the Not Applicable block below.</td> </tr> </table>		Basis for Requested Classification	Select the basis supporting a requested classification of Private Pipeline. If requesting Gas Utility status select the Not Applicable block below.
Basis for Requested Classification	Select the basis supporting a requested classification of Private Pipeline. If requesting Gas Utility status select the Not Applicable block below.		
<input checked="" type="checkbox"/> This pipeline ONLY handles natural gas produced by the operator (and is not already a Gas Utility due to other operations). <input type="checkbox"/> The purpose of this pipeline is solely for the operator's own consumption. <input type="checkbox"/> This pipeline is Interstate (gathering). <input type="checkbox"/> While this pipeline handles natural gas other than the operator's own production, it meets the standards set forth in Texas Utility Code §121.005 (in-or-within the vicinity of the field where produced, and no condemnation ever used and no Town Border/City Gate deliveries). Attach a Non-Utility Certificate to support a Private Pipeline classification. <input type="checkbox"/> Other. Attach a Sworn Statement to support the basis for Private Pipeline status. <input type="checkbox"/> Not Applicable. Operator is requesting Gas Utility status.			

APPLICATION FOR PERMIT TO OPERATE A PIPELINE IN TEXAS (cont.)
Natural Gas Pipelines

Maps of Pipeline Indicate below if maps are attached to this application or being submitted concurrently separately.

- An overview map (24" x 24" / 1" = 20 miles or less) Attached Submitted Separately
- Digital shape files for new, added, removed, or transferred pipelines. Attached Submitted Separately

Affirmation When requesting Gas Utility status, the following affirmation must be made.

- The applicant attests that they have read and understand the eminent domain provisions in Texas Property Code, Chapter 21, and the Texas Landowner's Bill of Rights as published by the Office of Attorney General of Texas.

Attached Documentation Indicate below all of the attachments for this application

- Form PS-48, *New Construction Report*
- Form T-4B, *Pipeline Transfer Certification*
- Non-Utility Certificate
- Overview Map
- Other(s). Brief description of purpose(s): _____

PIPELINE CONTACT INFORMATION

Related to the Construction, Operation and Maintenance of the pipeline

Name: Jim Clark	Title: Pumper
Address: 1509 W Wall St., Ste. 100 Midland, TX 79701	
Phone: (432) 853-3313	Email: jim@saguaropetroleum.com

Related to the Permit Application Packet

Name: Zayman Villegas	Title: Engineer
Address: 1509 W Wall St., Ste. 100 Midland, TX 79701	
Phone: (432) 528-5289	Email: zayman@saguaropetroleum.com

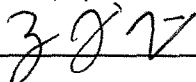
Related to Mapping / GIS

Name: Zayman Villegas	Title: Engineer
Address: 1509 W Wall St., Ste. 100 Midland, TX 79701	
Phone: (432) 528-5289	Email: zayman@saguaropetroleum.com

Each pipeline permit must contain at least one System, with at least one Segment. The following page(s) contain System and Segment information related to this permit application.

If this is an annual renewal with no changes to the required information so indicate below or continue with System and Segment data.
 Annual Renewal with no changes System and Segment information to follow

CERTIFICATE: I declare under penalties in Section 91.143, Texas Natural Resources Code, that I am authorized to file this application, that this application was prepared by me or under my supervision and direction, and that the data and facts stated therein are true, correct, and complete to be the best of my knowledge.

Signature  Title Engineer Date 10/30/2018

Pipeline Search Results

County	Operator	Commodity	Commodity Detail	System Type	System Name	Subsystem Name	Diameter	Operator P5	T4 Permit	Status	Interstate	Contact Phone
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	Abandoned	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HINKSON A-5		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSSSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	BAKER #1		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118

Pipeline Search Results

County	Operator	Commodity	Commodity Detail	System Type	System Name	Subsystem Name	Diameter	Operator P5	T4 Permit	Status	Interstate	Contact Phone
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		1.32	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		6.63	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		2.88	637403	03712	In Service	No	2544853118

Pipeline Search Results

County	Operator	Commodity	Commodity Detail	System Type	System Name	Subsystem Name	Diameter	Operator P5	T4 Permit	Status	Interstate	Contact Phone
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM	AMURA HINKSON #1 TO KIRK #1	2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118

Pipeline Search Results

County	Operator	Commodity	Commodity Detail	System Type	System Name	Subsystem Name	Diameter	Operator P5	T4 Permit	Status	Interstate	Contact Phone
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		6.63	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM	AMURA HINKSON #1 TO KIRK #1	3.5	637403	03712	In Service	No	2544853118

Pipeline Search Results

County	Operator	Commodity	Commodity Detail	System Type	System Name	Subsystem Name	Diameter	Operator P5	T4 Permit	Status	Interstate	Contact Phone
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSSSTEM		2.38	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118

Pipeline Search Results

County	Operator	Commodity	Commodity Detail	System Type	System Name	Subsystem Name	Diameter	Operator P5	T4 Permit	Status	Interstate	Contact Phone
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM	BORCHERS-WILBAR #1 TO NEW WELL	2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118

Pipeline Search Results

County	Operator	Commodity	Commodity Detail	System Type	System Name	Subsystem Name	Diameter	Operator P5	T4 Permit	Status	Interstate	Contact Phone
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118

Pipeline Search Results

County	Operator	Commodity	Commodity Detail	System Type	System Name	Subsystem Name	Diameter	Operator P5	T4 Permit	Status	Interstate	Contact Phone
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	Abandoned	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118

Pipeline Search Results

County	Operator	Commodity	Commodity Detail	System Type	System Name	Subsystem Name	Diameter	Operator P5	T4 Permit	Status	Interstate	Contact Phone
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		2.88	637403	03712	Abandoned	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		2.88	637403	03712	Abandoned	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	Abandoned	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118

Pipeline Search Results

County	Operator	Commodity	Commodity Detail	System Type	System Name	Subsystem Name	Diameter	Operator P5	T4 Permit	Status	Interstate	Contact Phone
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		2.88	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM	MURA HINKSON #1 TO KIRK #1	3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	Abandoned	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		4.5	637403	03712	In Service	No	2544853118

Pipeline Search Results

County	Operator	Commodity	Commodity Detail	System Type	System Name	Subsystem Name	Diameter	Operator P5	T4 Permit	Status	Interstate	Contact Phone
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	HOLLAND/STEPHEN PIPELINE SYSTEM		6.63	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		6.63	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		3.5	637403	03712	In Service	No	2544853118
PALO PINTO	PALO PINTO BOND COMPANY, LLC	NATURAL GAS	NATURAL GAS	Gas Gathering	STRAWN/GORDAN GATHERING SYSTEM		4.5	637403	03712	In Service	No	2544853118



RAILROAD COMMISSION OF TEXAS

OVERSIGHT AND SAFETY DIVISION - PIPELINE SAFETY

PIPELINE PERMITTING AND MAPPING SECTION

PERMIT TO OPERATE A PIPELINE IN TEXAS

11/08/2019

Permit Number: 03712

Commodity transported: Gas

Classification: Private

Payment Trace Number: 455RM004HYM4WIU

PALO PINTO BOND COMPANY, LLC
Attn: Zayman Villegas
1509 W Wall St., Ste. 100
Midland, TX 79701

This is to certify that PALO PINTO BOND COMPANY, LLC has complied with Railroad Commission rule 16 Tex. Admin. Code §3.70 governing pipelines in accordance with Texas Natural Resources Code, §81.051, and is granted this permit by the Commission to operate the following pipeline or pipelines located in the following county or counties:

PALO PINTO

Total Permitted Miles: 104.99

Regulated Miles: 1.56

Unregulated Miles: 103.42

Pipeline Operator:
PALO PINTO BOND COMPANY,
LLC

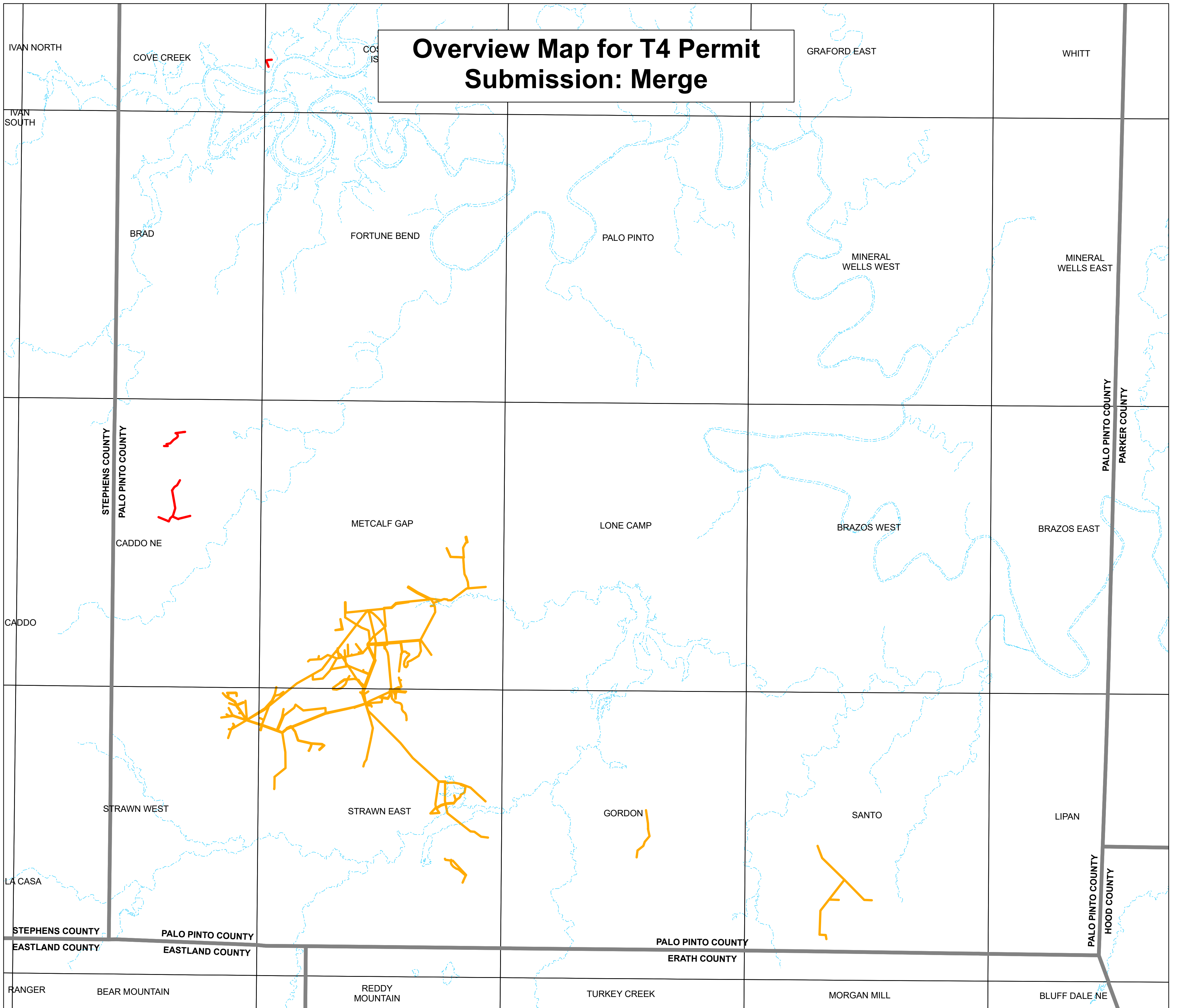
Economic Operator:
PALO PINTO BOND COMPANY,
LLC

Pipeline Owner:
PALO PINTO BOND COMPANY,
LLC

This permit is valid until 11/01/2020

If additional information is needed, please contact the Pipeline Permitting Section by phone at 512-463-7058, or by email at pops@rrc.texas.gov.

Overview Map for T4 Permit Submission: Merge



T4_AMD

- MP
- NC

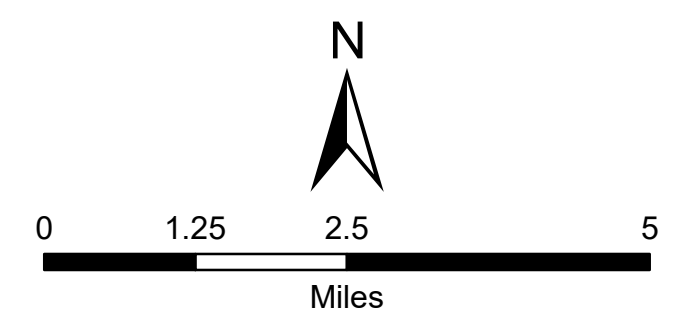
OPERATOR NAME: PALO PINTO BOND COMPANY, LLC
 P5 NUMBER: #637403
 T-4 PERMIT: #03712
 SYSTEM NAME: STRAWN/GORDAN GATHERING SYSTEM

PERMIT MILEAGE: 104.99

COUNTIES:
 PALO PINTO

CONTACT: ZAYMAN VILLEGAS
 E-MAIL ADDRESS: zayman@saguaropetroleum.com
 PHONE: (432) 5285-289

DIGITAL SHAPE FILE NAME:
 03712.shp, 03712.shx, 03712.dbf, 03712.prj
 DATE:
 November 14, 2018





RAILROAD COMMISSION OF TEXAS

OVERSIGHT AND SAFETY DIVISION - PIPELINE SAFETY

PIPELINE PERMITTING AND MAPPING SECTION

PERMIT TO OPERATE A PIPELINE IN TEXAS

10/31/2019

Permit Number: 03712

Commodity transported: Gas

Classification: Private

Payment Trace Number:

PALO PINTO BOND COMPANY, LLC
Attn: Zayman Villegas
1509 W Wall St., Ste. 100
Midland, TX 79701

This is to certify that PALO PINTO BOND COMPANY, LLC has complied with Railroad Commission rule 16 Tex. Admin. Code §3.70 governing pipelines in accordance with Texas Natural Resources Code, §81.051, and is granted this permit by the Commission to operate the following pipeline or pipelines located in the following county or counties:

PALO PINTO

Amendment Code	System Type	Texas Regulated	Miles
MP	G	N	3.65
NC	G	N	102.51
NC	G	Y	1.56

Total Permitted Miles: 104.99

Regulated Miles: 1.56

Unregulated Miles: 103.42

Pipeline Operator:
PALO PINTO BOND COMPANY,
LLC

Economic Operator:
PALO PINTO BOND COMPANY,
LLC

Pipeline Owner:
PALO PINTO BOND COMPANY,
LLC

This permit is valid until 11/01/2019

If additional information is needed, please contact the Pipeline Permitting Section by phone at



RAILROAD COMMISSION OF TEXAS
OVERSIGHT AND SAFETY DIVISION - PIPELINE SAFETY
PIPELINE PERMITTING AND MAPPING SECTION

512-463-7058, or by email at pops@rrc.texas.gov.

10/31/2019

Railroad Commission of Texas
Oversight and Safety Division
Permitting & Mapping Section
P.O. Box 12967
Austin, TX 78711-2967

Dear Permitting & Mapping Staff:

Re: T-4 Permit Number: #04852
Operator Name: Palo Pinto Bond
Company, LLC
P5 Number: #637403

Attached please find a Form T4B and Overview Map. Please note the following:

Palo Pinto Bond Company intends to cancel this permit and merge the lines in existing Palo Pinto Bond Company Pipeline permit 03712.

Miles of Pipeline: Permit #03712: 104.98 miles

Please contact me at 432-528-5289 if you have questions or need additional information.

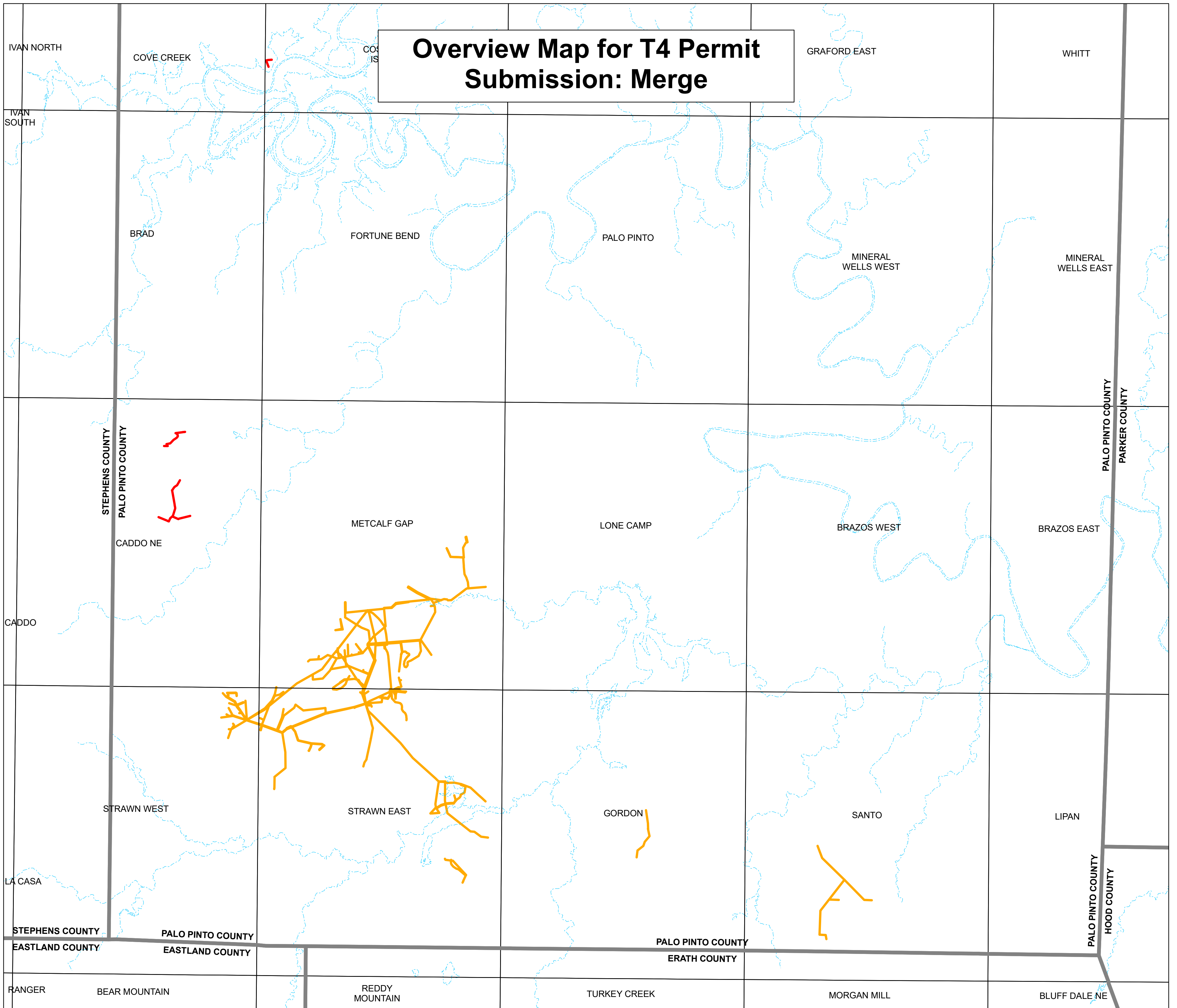
Sincerely,

Zayman Villegas
Petroleum Engineer

Attachments

Files sent on November 16, 2018: 03712.shp, 03712.shx, 03712.dbf, 03712.prj

Overview Map for T4 Permit Submission: Merge



T4_AMD

- MP
- NC

OPERATOR NAME: PALO PINTO BOND COMPANY, LLC
 P5 NUMBER: #637403
 T-4 PERMIT: #03712
 SYSTEM NAME: STRAWN/GORDAN GATHERING SYSTEM
 PERMIT MILEAGE: 104.99
 COUNTIES:
 PALO PINTO

CONTACT: ZAYMAN VILLEGAS
 E-MAIL ADDRESS: zayman@saguaropetroleum.com
 PHONE: (432) 5285-289

DIGITAL SHAPE FILE NAME:
 03712.shp, 03712.shx, 03712.dbf, 03712.prj
 DATE:
 November 14, 2018

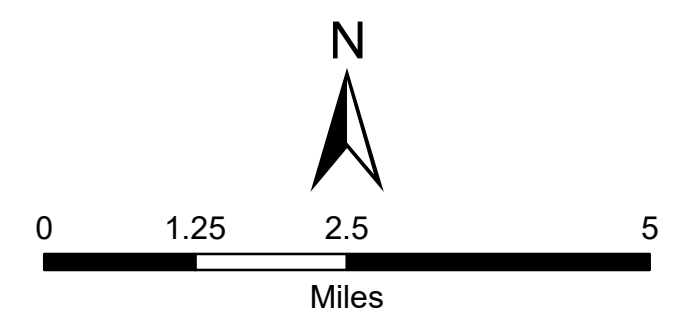


EXHIBIT N

T-4B PIPELINE TRANSFER CERTIFICATION



RAILROAD COMMISSION OF TEXAS
 OVERSIGHT AND SAFETY DIVISION
 PIPELINE SAFETY DEPARTMENT

FORM T-4B

May 2021

PIPELINE TRANSFER CERTIFICATION

INSTRUCTIONS: The Form T-4B Pipeline Transfer Certification is used to confirm a pipeline transfer from one operator to another. It can be used to confirm either the total or partial transfer of a pipeline system. Both the Divesting Operator and the Acquiring Operator must fill out and sign the form, and the Permit Number and Effective Date of Transfer on each section must match. A Form T-4B must be attached in the Pipeline Online Permitting System (POPS) with every pipeline transfer submission.

ACQUIRING OPERATOR INFORMATION

Acquiring Operator Name P-5 Number

Mailing Address City State Zip Code

Is this a total transfer of the Permit Number listed below in **ACQUIRING OPERATOR CERTIFICATION**? Yes No

Are you adding the pipelines to an existing permit, keeping them on the original Permit Number, or applying for a new permit?

Adding to Existing Permit Number
 Keeping the Original Permit Number
 Applying for a New Permit

ACQUIRING OPERATOR CERTIFICATION: As the Acquiring Operator, I certify that I am now responsible for the regulatory compliance of the below-listed pipeline(s) currently operating under the here-stated Permit Number.

Permit Number Effective Date of Transfer

Name of Reporting Official Signature of Reporting Official Date Signed

Title of Reporting Official Phone Number Extension Email Address

DIVESTING OPERATOR INFORMATION

Divesting Operator Name P-5 Number

Mailing Address City State Zip Code

Is this a total transfer of the Permit Number listed below in **DIVESTING OPERATOR CERTIFICATION**? Yes No

If No, list the names (or other identification) of the pipeline(s) being transferred along with each pipeline's mileage:

Names and Mileage of Transferred Pipelines (if you need more space than is provided here, attach another page when submitting Form T-4B)

DIVESTING OPERATOR CERTIFICATION: As the Divesting Operator, I certify that operating responsibility for the above-listed pipeline(s) currently operating under the here-stated Permit Number is transferred to the Acquiring Operator.

Permit Number Effective Date of Transfer

Name of Reporting Official Signature of Reporting Official Date Signed

Title of Reporting Official Phone Number Extension Email Address