

RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

HEARINGS SECTION

OIL AND GAS DOCKET No. 03-0252921

ENFORCEMENT ACTION AGAINST SHOREHAM OIL & GAS COMPANY, INC. (OPERATOR NO. 778499) FOR VIOLATIONS OF STATEWIDE RULES ON THE STATE TRACT 204 LEASE, WELL NO. 1 (RRC # 148137), RED FISH REEF, NORTH (FRIO 17) FIELD, CHAMBERS COUNTY; STATE TRACT 262 LEASE, WELL NO. 1R (RRC #150142), RED FISH REEF, SW. (F-13) FIELD, CHAMBERS COUNTY; AND STATE TRACT 307 LEASE, WELL NO. 10 (RRC #150186), RED FISH REEF, SW. (F-18) FIELD, CHAMBERS COUNTY, TEXAS.

FINAL ORDER

The Commission finds that after statutory notice the captioned enforcement proceedings were heard by the examiner on November 8, 2007. The examiner has circulated a Proposal for Decision containing Findings of Fact and Conclusions of Law. Having been duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, those Findings of Fact and Conclusions of Law are hereby adopted and made a part hereof by reference.

It is accordingly **ORDERED** that, within 90 days from the day immediately following the date this order becomes final that Shoreham Oil & Gas Company, Inc. shall:

- 1) plug the State Tract 204 Lease, Well No. 1 (RRC ID# 148137);
- 2) plug the State Tract 307 Lease, Well No. 10 (RRC ID# 150186);
- 3) place in compliance with all Commission rules and regulations the State Tract 262 Lease, Well No. 1R (RRC ID# 150142); and
- 4) pay an administrative penalty of **THIRTY THREE THOUSAND DOLLARS (\$33,000)**.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order 3 days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest within such 20-day period after the party's presumed notice, this order shall not become final until such motion is overruled, or if rehearing is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE § 2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the parties are notified of the order in accordance with TEX. GOV'T CODE §2001.144.

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

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

Done this 12th day of November, 2008, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN MICHAEL L. WILLIAMS

COMMISSIONER ELIZABETH A. JONES

COMMISSIONER VICTOR G. CARRILLO

ATTEST:

SECRETARY