

RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

HEARINGS SECTION

OIL AND GAS DOCKET NO. 04-0267003

ENFORCEMENT ACTION AGAINST ALAMO OPERATING COMPANY, L.C. (OPERATOR NO. 010074) FOR VIOLATIONS OF STATEWIDE RULES ON THE DIAZ LEASE, WELL NO. 6 (DRILLING PERMIT NO. 555939), WILDCAT FIELD, STARR COUNTY, TEXAS.

FINAL ORDER

The Commission finds that after statutory notice the captioned enforcement proceedings were heard by the examiner on September 8, 2011. 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 30 days from the day immediately following the date this order becomes final, Alamo Operating Company, L.C. (Operator. No. 010074) shall:

- 1.) place in compliance with Commission rules the Diaz Lease, Well No. 6 (Drilling Permit No. 555939), Wildcat Field, Starr County, Texas; and
- 2.) remit to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty of **TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500.00)**.

It is further **ORDERED** that Michael S. Deodati, and any organization in which he may hold a position of ownership or control, shall be subject to the restrictions of Texas Natural Resources Code §91.114(a)(2) for a period of no more than seven years from the date the order entered in this matter becomes final, or sooner, if the conditions that constituted the violations herein are corrected or are being corrected in accordance with a schedule to which the Commission and the organization have agreed; and all administrative, civil and criminal penalties and all cleanup and plugging costs incurred by the State relating to those conditions are paid or are being paid in accordance with a schedule to which the Commission and the organization have agreed.

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 21st day of August, 2012, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS


CHAIRMAN BARRY T. SMITHERMAN


COMMISSIONER DAVID PORTER


COMMISSIONER BUDDY GARCIA

ATTEST

SECRETARY

