

**ENFORCEMENT ACTION AGAINST JIMMY ROBERSON ENERGY CORP. (OPERATOR NO. 716399) FOR VIOLATIONS OF STATEWIDE RULES ON THE DAILEY, H. H., ET AL. (05188) LEASE, WELL NO. 1, NAVARRO CROSSING FIELD, HOUSTON COUNTY, TEXAS; AND ON THE DAILEY, R. S. -C- (04499) LEASE, WELL NO. 4, NAVARRO CROSSING FIELD, HOUSTON COUNTY, TEXAS**

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**APPEARANCES:**

**FOR MOVANT:**

Scott Holter  
Staff Attorney

**MOVANT:**

Enforcement Section  
of the Railroad Commission

**FOR RESPONDENT:**

Jimmy Roberson  
President

**RESPONDENT:**

Jimmy Roberson Energy Corp.

**PROPOSAL FOR DECISION**

**PROCEDURAL HISTORY**

**DATE OF REQUEST FOR ACTION:**

November 8, 2001

**DATES CASE HEARD:**

February 25, 2002

April 1, 2002

**HEARD BY:**

James M. Doherty, Hearings  
Examiner

**RECORD CLOSED:**

May 16, 2002

**PFD CIRCULATION DATE:**

June 17, 2002

**CURRENT STATUS:**

Protested

**STATEMENT OF THE CASE**

This hearing was called by the Commission on the recommendation of the District Office to determine the following:

1. Whether the respondent Jimmy Roberson Energy Corp. (“respondent”) should be required to plug or otherwise place in compliance with Statewide Rule 14(b)(2) [Tex. R. R. Comm’n, 16 TEX. ADMIN. CODE (“T.A.C.”) §3.14] the Dailey, H. H., Et Al. (05188) Lease Well No. 1, Navarro Crossing Field, Houston County, Texas, and the Dailey, R. S. -C- (04499) Lease, Well No. 4, Navarro Crossing Field, Houston County, Texas;
2. Whether the respondent has violated provisions of Statewide Rule 8(d)(1) [Tex. R. R. Comm’n, 16 T.A.C. §3.8(d)(1)] and Statewide Rule 91 [Tex. R. R. Comm’n, 16 T.A.C. §3.91] on the Dailey, H. H., Et Al. (05188) Lease, Houston County, Texas, and should be required to place the lease in compliance with Statewide Rules 8 and 91;
3. Whether the respondent has violated provisions of Title 3, Oil and Gas, Subtitles A, B, and C, Texas Natural Resources Code, Chapter 27 of the Texas Water Code, and Commission rules and laws pertaining to safety or prevention or control of pollution by failing to plug or otherwise place the subject wells in compliance with Statewide Rule 14 and by failing to maintain the Dailey, H. H., Et Al. (05188) Lease in compliance with Statewide Rules 8 and 91;
4. Whether the respondent should be assessed administrative penalties of not more than \$10,000.00 per day for each offense committed regarding the subject wells and leases; and
5. Whether any violations of Statewide Rules 8, 14 and 91 by the respondent should be referred to the Office of the Attorney General for further civil action pursuant to TEX. NAT. RES. CODE ANN. §81.0534 (Vernon 2001).

This case originally was called for hearing on February 25, 2002, at which time respondent failed to appear. However, on the same date, respondent presented a motion for continuance. This motion was considered as a request for reopening of the hearing, and upon a showing of good cause, the motion was granted. At the reopened hearing on April 2, 2002, respondent appeared through its representative Jimmy Roberson, President, who presented testimony. Scott Holter, Staff Attorney, appeared representing the Railroad Commission of Texas, Enforcement Section.

The Enforcement Section’s hearing file for this docket was admitted into evidence. At the request of Enforcement, the record was held open for a period of 45 days to permit a further District Office inspection of the Dailey, H. H., Et Al. (05188) Lease for confirmation of testimony given at the hearing by Mr. Roberson that the alleged violations of Statewide Rules 8 and 91 had been corrected prior to the hearing. On May 6, 2002, Enforcement submitted a late-filed exhibit consisting of certified District Office inspection reports, which, among other things, stated that one-fourth barrel of oil was standing on fresh water inside a firewall on the Dailey, H. H., Et Al. (05188) Lease. However, the inspection report to this effect is dated May 31, 2002, obviously in error, and it cannot be determined when the inspection occurred. The staff recommends that a \$5,000.00

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penalty be assessed against respondent. The recommended penalty is comprised of \$1,000.00 for one violation of Statewide Rule 8(d)(1) and \$2,000.00 each for two continuing violations of Statewide Rule 14(b)(2). The examiner agrees with the staff's penalty recommendation and recommends that respondent be ordered to plug the subject wells and to place the subject leases into compliance with Commission Statewide Rules.

### **BACKGROUND**

The operator of a well must properly plug the well when required and in accordance with the Commission's rules. *See* TEX. NAT. RES. CODE ANN. §89.011(a). The Commission's Statewide Rule 14(b)(2) provides that plugging operations on each dry or inactive well shall be commenced within a period of one year after drilling or operations cease and shall proceed with due diligence until completed.

Rule 14(c)(2) provides that as to any well for which the most recent Commission-approved operator designation form was filed prior to September 1, 1997, the entity designated as operator on that form is presumed to be the entity responsible for the physical operation and control of the well and to be the entity responsible for properly plugging the well. The presumption of responsibility may only be rebutted at a hearing called for the purpose of determining plugging responsibility.

With certain exceptions not relevant here, Rule 8(d)(1) prohibits any person from disposing of any oil and gas wastes by any method without obtaining a permit to dispose of such wastes. Rule 91(c) and (d) require cleanup of soil contaminated by a crude oil spill.

If a person violates provisions of Title 3 of the Texas Natural Resources Code or a Commission rule pertaining to safety or the prevention or control of pollution, the person may be assessed a civil penalty by the Commission not to exceed \$10,000.00 a day for each violation. In determining the amount of the penalty, the Commission must consider the respondent's history of previous violations, the seriousness of the violation, any hazard to the health or safety of the public, and the demonstrated good faith of the respondent. *See* TEX. NAT. RES. CODE ANN. §81.0531.

### **DISCUSSION OF THE EVIDENCE**

#### **Enforcement's Position and Evidence**

Enforcement proved that respondent is an Arkansas corporation. Respondent's most recent Organization Report lists James M. Roberson as President, Vice President, and Secretary of respondent. A Certificate of Account Status obtained by Enforcement from the State Comptroller shows that respondent is not in good standing, having failed to satisfy all state tax requirements. Records obtained by Enforcement from the Texas Secretary of State show that respondent's certificate of authority to transact business in Texas was forfeited on August 25, 2000. Form P-5

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records produced by Enforcement show that respondent's Organization Report is delinquent, respondent having last filed a form P-5 on April 5, 1999.

Respondent was shown to have been designated operator of the Dailey, H. H., Et Al. (05188) Lease and the Dailey, R. S. -C- (04499) Lease ("subject leases") by filing of forms P-4 (Producer's Transportation Authority and Certificate of Compliance) which were effective April 1, 1997, and approved May 8, 1997. Commission records, including District Office inspection reports, submitted by Enforcement showed that Well No. 1 (an oil well) exists on the Dailey, H. H., Et Al. (05188) Lease and that Well No. 4 (a saltwater disposal well) exists on the Dailey, R. S. -C- (04499) Lease ("subject wells").

**Rule 14(b)(2)**

Through Commission production records, Enforcement proved that respondent last reported production on the Dailey, H. H., Et Al. (05188) Lease in October 1999, and that disposal activity on the Dailey, R. S. -C- (04499) Lease, Well No. 4, was last reported in November 1998. For the Dailey, H. H., Et Al. (05188) Lease, zero production was reported for the period November 1999, through April 2000, and no production reports were filed thereafter. For the Dailey, R. S. -C- (04499) Lease, zero disposal activity was reported for December 1998 through December 1999, and no reports of disposal activity were filed thereafter.

District Office inspections on February 2 and December 4, 2000, January 5, March 22 and October 30, 2001, and February 4, 2002, for the Dailey, H. H., Et Al. (05188) Lease disclosed that Well No. 1 was inactive and unplugged. District Office inspections on the same dates for the Dailey, R. S. -C- (04499) Lease disclosed that Well No. 4 was also inactive and unplugged.

**Rule 8(d)(1)**

Enforcement submitted District Office inspection reports dated January 5, March 22 and October 30, 2001, and February 4, 2002, relating to the alleged Rule 8(d)(1) and Rule 91 violations on the Dailey, H. H., Et Al. (05188) Lease.

The inspection report dated January 5, 2001, showed that one barrel, more or less, of loose oil existed inside the firewall at the tank battery, which appeared to have leaked onto the ground from a clean-out hatch. Subsequent inspection reports dated March 22 and October 30, 2001, and February 4, 2002, showed that this pollution continued to exist. The October 30, 2001, inspection report showed that the oil inside the firewall was floating on rainwater and that chlorides were 400 ppm. None of these inspection reports indicated any remediation of the pollution by respondent.

**Notice of Violations**

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Enforcement submitted copies of District Office correspondence to respondent regarding the alleged violations of Rules 14(b)(2) and 8(d)(1). On December 11, 2000, the District Office corresponded with respondent regarding the Rule 14(b)(2) violations on the subject leases and wells, and requested that within 15 days respondent notify the District Office of respondent's plan to bring the leases and wells into compliance. On January 17, 2001, the District Office sent respondent a Notice of Intent to Cancel P-4 Certificate of Compliance and to Sever Pipeline or Other Carrier Connection, and notified respondent that the cancellation and severance would issue unless the asserted violations of Rule 14(b)(2) were resolved within 15 days. On April 4, 2001, the District Office sent respondent a copy of a memorandum to the Commission's Assistant Director of Compliance regarding the alleged Rule 14(b)(2) and Rule 8 violations on the Dailey, H. H., Et Al. (05188) Lease, stating that respondent was being afforded a last opportunity to bring the lease into compliance. Included with this memorandum was a plug hearing data sheet estimating the cost to plug the Dailey, H. H., Et Al. (05188) Lease Well No. 1 at \$11,300.00. On April 11, 2001, a copy of a similar memorandum was sent to respondent relating to the alleged Rule 14(b)(2) violation on the Dailey, R. S. -C- (04499) Lease. A plug hearing data sheet enclosed with this later memorandum estimated the cost to plug the Dailey, R. S. -C- (04499) Lease Well No. 4 at \$6,900.00.

#### **Severances**

Enforcement proved that the Dailey, H. H., Et Al. (05188) Lease was severed on May 1, 2000 (Delinquent P-5); October 2, 2000 (Delinquent Production Report); and March 29, 2001 (Field Rule Violation). Enforcement also proved that the Dailey, R. S. -C- (04499) Lease was severed on June 29, 2000 (Delinquent P-5); April 10, 2001 (Field Rule Violation); and June 8, 2001 (Delinquent H-10). These severances have not been resolved.

#### **Affidavits and Certifications**

Enforcement submitted as evidence the affidavit of Ramon Fernandez, Jr., P.E., Field Operations, showing that: (a) any wellbore, cased or otherwise, is a potential conduit for flow from oil or saltwater zones to zones of usable quality water or to the surface; (b) holes or leaks may develop in cased wells, allowing oil or saltwater to communicate with usable quality zones or to flow to the surface; (c) uncased wells allow direct communication between zones and provide unimpeded access to the surface; and (d) any unauthorized discharge or disposal of oil, saltwater, basic sediment or other oil and gas waste is a potential source of pollution to surface and subsurface waters if not remediated to prevent seepage and run-off.

Enforcement also submitted the affidavit of the Commission's Secretary, Kim Williamson, showing that: (a) no permit was issued to respondent to discharge oil or gas wastes from or onto the Dailey, H. H., Et Al. (05188) Lease; (b) no plugging record (form W-3) or Cementing Affidavit (form W-15) has been filed or approved for the subject wells; (c) no plugging extensions currently are in effect for the subject wells; (d) respondent failed to file production reports, or reported zero production, for the Dailey, H. H., Et Al. (05188) Lease since November 1, 1999; and (e) respondent

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failed to file disposal activity reports, or reported zero disposal activity, for Well No. 4 on the Dailey, R. S. -C- (04499) Lease since December 1, 1998.

### **Enforcement's Recommendation**

Enforcement recommended that an administrative penalty in the amount of \$5,000.00 be assessed against respondent, consisting of two Rule 14(b)(2) violations at \$2,000.00 each and one Rule 8(d)(1) violation at \$1,000.00. In addition, Enforcement requested an order requiring respondent to place the subject leases and wells into compliance with Commission Statewide Rules.

### **Respondent's Position and Evidence**

Jimmy Roberson, President, appeared and presented evidence on behalf of respondent. With regard to the alleged Rule 8(d)(1) violation, Mr. Roberson stated that the oil pollution inside the firewall at the tank battery on the Dailey, H. H., Et Al. (05188) Lease was not the result of a leak from the clean-out hatch, but instead was a spill caused by persons unknown who stole oil from the tank. He could not recall when the alleged theft occurred, and stated that no report was made to law enforcement officials. Mr. Roberson acknowledged respondent's responsibility for remediating the spill, regardless of the cause, and stated that he had attempted to clean-up the pollution, most recently the week before the hearing. He testified further that he found less than one-half barrel of oil creating a "skim" on rainwater.

With regard to the alleged Rule 14(b)(2) violations, Mr. Roberson did not dispute Enforcement's evidence that the subject wells have been inactive for more than one year and are not plugged. He stated that it has not been possible to restore the wells to active status due to the fact that the wells were sealed by the Commission. Mr. Roberson explained the delinquency of respondent's P-5 Organization Report and delinquent production reports, which caused lease severances, by saying that his wife was responsible for filing the reports and he surmised that she "just stopped" as a result of a pending divorce action.

Mr. Roberson testified further that respondent had not sought any Rule 14(b)(2) plugging extensions for the subject wells. He stated that it has been his intention to put the Dailey, H.H., Et Al. (05188) Lease, Well No. 1 back into production, if he kept the well as a result of his pending divorce action. Mr. Roberson explained his failure to bring the subject wells into compliance by saying that flooding of the leases from overflow of the Trinity River will require dozer or dirt work to restore the wells to activity and uncertainty has existed as to what the Judge in his pending divorce action will order as to well ownership.

## **EXAMINER'S OPINION**

### **Rule 8(d)(1) Violation**

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Statewide Rule 8(d)(1), with exceptions not relevant here, prohibits disposal of oil and gas wastes by any method without obtaining a permit from the Commission to dispose of such wastes. Disposal is defined in Rule 8(a) to include the engaging in any act of disposal subject to regulation by the Commission including, but not limited to, conducting, draining, discharging, emitting, throwing, releasing, depositing, burying, landfarming, or allowing to seep, or to cause or allow any such act of disposal.

Statewide Rule 91 provides that to minimize the depth of oil penetration, all free oil (crude oil that has not been absorbed by the soil and is accessible for removal) must be removed immediately for reclamation or disposal. Once all free oil has been removed, the area of contamination (the affected area with more than 1.0% by weight total petroleum hydrocarbons) must be delineated. Soil containing over 1.0% by weight total petroleum hydrocarbons must be brought to the surface for disposal or remediation. A final cleanup level of 1.0% by weight total petroleum hydrocarbons must be achieved as soon as technically feasible, but not later than one year after the spill incident.

There is no dispute about the fact that oil was discharged inside the firewall at the tank battery on the Dailey, H. H., Et Al. (05188) Lease during the time when respondent was the responsible operator. Even if the discharge was caused by third persons when oil was stolen from the lease, respondent failed to remediate the discharge timely in response to notifications from the District Office. Respondent assumed responsibility for the regulatory compliance of the lease in 1997. A District Office inspector first observed the oil pollution on January 5, 2001, and the pollution continued to exist on the occasion of subsequent inspections on March 22 and October 30, 2001, and February 4, 2002. If respondent made any attempt to clean-up the pollution prior to February 4, 2002, these efforts were ineffective.

Respondent violated Statewide Rule 8(d)(1), as alleged by Enforcement, and did not make adequate compliance with Statewide Rule 91 by clean-up of the oil pollution inside the firewall at the tank battery on the Dailey, H. H., Et Al (05188) Lease.

#### **Rule 14(b)(2)Violations**

Respondent became the designated operator of the subject leases and wells as a result of the filing of forms P-4 effective April 1, 1997. Pursuant to Statewide Rule 14(b)(2), respondent is presumed to be responsible for the physical operation and control of the subject wells and to be responsible for properly plugging them. This presumption of responsibility may be rebutted at a hearing called for the purpose of determining plugging responsibility, but in this case, responsibility for plugging the subject wells, or otherwise placing them in compliance with Commission rules, is not disputed by respondent.

Respondent reported no production on the Dailey, H. H., Et Al. (05188) Lease since November 1, 1999, and reported no disposal activity on the Dailey, R. S. -C- (04499) Lease, Well

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No. 4 since December 1, 1998. District Office inspections show that both of the subject wells have been inactive since at least February 2, 2000.

Mr. Roberson's testimony that the subject wells could not be restored to active status due to the fact that the District Office placed seals on the wells is no defense to the alleged Rule 14(b)(2) violations. The evidence does not show when the wells were first sealed, but the first mention of the seals is contained in a District Office inspection report dated December 4, 2000. This followed severances of the Dailey, H. H., Et Al. (05188) Lease on May 1, 2000, and the Dailey, R. S. -C-(04499) Lease on June 29, 2000, based on the delinquency of respondent's P-5 Organization Report. This P-5 delinquency and the violations of Commission rules that led to other severances which took effect later in 2000-2001, have not been resolved by respondent.

Respondent did not commence plugging of the subject wells within a period of one year after operations ceased, did not reactivate the wells, and did not obtain Rule 14(b)(2) plugging extensions. Accordingly, respondent violated Rule 14(b)(2) as alleged by Enforcement.

### **Recommendation**

On the basis of the factors which the Commission must consider pursuant to TEX. NAT. RES. CODE ANN. §81.0531, a penalty of \$5,000.00, consisting of \$1,000.00 for one violation of Statewide Rule 8(d)(1) and \$2,000.00 each for two continuing violations of Statewide Rule 14(b)(2), is appropriate. There is no evidence that respondent has a history of previous orders issued against it for violations of Commission rules. However, respondent cannot be said to have demonstrated good faith in view of its failure to plug the subject wells, or otherwise place them in compliance, or effectively to resolve the Rule 8(d)(1) violation, in response to multiple requests and warnings from the District Office prior to initiation of this enforcement action. The evidence shows that the Rule 8(d)(1) and Rule 14(b)(2) violations committed by respondent posed a threat to the public health and safety.

Commission production records and records of disposal activity indicate that, as of the date of the hearing, the subject saltwater disposal well had been inactive for a period of 40 months and the subject oil well had been inactive for a period of 29 months. Mr. Roberson contended that there had been a failure to file the required production and activity reports and that the wells had been inactive for a lesser period of time. However, District Office inspection reports show well inactivity, as of the date of the hearing, for at least 26 months. Mr. Roberson testified that respondent intended to restore the wells to activity, depending on the outcome of his pending divorce action. However, the certificate of authority of respondent to transact business in Texas as a foreign corporation was forfeited on August 25, 2000, and respondent is not in good standing with the Texas Comptroller in that it has not satisfied all state tax requirements. In addition, respondent's P-5 Organization Report is delinquent, respondent having last filed a P-5 on April 5, 1999. There is no evidence that respondent has a continuing good faith claim of right to operate the subject leases. Accordingly, the examiner recommends that the Commission order that the subject wells be plugged in compliance

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with the Commission's rules.

Based on the record in this docket, the examiner recommends adoption of the following Findings of Fact and Conclusions of Law.

**FINDINGS OF FACT**

1. Jimmy Roberson Energy Corp. ("respondent") was given at least 10 days notice of this proceeding by certified mail, addressed to its most recent form P-5 (Organization Report) address, the return receipt for which was signed and returned to the Commission, and respondent appeared and participated at the hearing through its President, Jimmy Roberson.
2. Respondent is an Arkansas corporation, whose President, Vice President and Secretary is Jimmy Roberson.
3. Respondent's certificate of authority to transact business in Texas was forfeited by the Texas Secretary of State on August 25, 2000, and has not been reactivated.
4. Respondent is not in good standing with the Texas Comptroller, having failed to satisfy all state tax requirements.
5. Respondent's P-5 Organization Report is delinquent, respondent having last filed a P-5 on April 5, 1999.
6. Respondent designated itself to the Commission as the operator of the Dailey, H. H., Et Al. (05188) Lease and the Dailey, R. S. -C- (04499) Lease ("subject leases"), and the wells on the said leases, by filing forms P-4 (Producer's Transportation Authority and Certificate of Compliance) with the Commission, effective April 1, 1997.
7. Respondent last reported production to the Commission on the Dailey, H. H., Et Al. (05188) Lease, Well No. 1 in October 1999, and last reported disposal activity on the Dailey, R. S. -C- (04499) Lease, Well No. 4 (a saltwater disposal well) in November 1998.
8. Respondent has not conducted any operations on the Dailey, H. H., Et Al. (05188) Lease, Well No. 1 and the Dailey, R. S. -C- (04499) Lease, Well No. 4 ("subject wells") since at least February 2, 2000, and the subject wells have been inactive for a period in excess of one year.
9. The subject wells have not been properly plugged, and no Statewide Rule 14(b)(2) plugging

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extensions are in effect for such wells.

10. The estimated cost to the State of plugging the Dailey, H. H., Et Al. (05188) Lease, Well No. 1 is \$11,300.00, and the estimated cost to the State of plugging the Dailey, R. S. -C- (04499) Lease, Well No. 4 is \$6,900.00.
11. Usable quality groundwater in the area is likely to be contaminated by migrations or discharge of saltwater and other oil and gas wastes from the subject wells. Unplugged wellbores constitute a cognizable threat to the public health and safety because of the possibility of pollution.
12. Commencing on or before January 5, 2001, respondent caused or allowed the discharge of oil or gas wastes inside the firewall at the tank battery on the Dailey, H. H., Et Al. (05188) Lease, and did not effectively remediate the discharge at least through February 4, 2002.
13. No permit was issued to respondent by the Commission permitting the discharge of oil or gas wastes from or onto the Dailey, H. H., Et Al. (05188) Lease.
14. Any unauthorized discharge or disposal of oil, saltwater, basic sediment or other oil and gas waste is a potential source of pollution to surface and subsurface waters if not remediated to prevent seepage and run-off.
15. Respondent has no history of previous Commission orders issued against it for violations of Commission rules.
16. Respondent has not demonstrated good faith since it failed to plug or otherwise place the subject wells in compliance after being notified of the Statewide Rule 14(b)(2) violations.
17. Respondent has not demonstrated good faith since it failed to remediate timely the unauthorized discharge of oil and gas wastes on the Dailey, H. H., Et Al. (05188) Lease.

#### **CONCLUSIONS OF LAW**

1. Proper notice of hearing was timely issued by the Railroad Commission to appropriate persons legally entitled to notice.
2. All things necessary to the Commission attaining jurisdiction over the subject matter and the parties in this hearing have been performed or have occurred.
3. Jimmy Roberson Energy Corp. is the operator of the Dailey, H. H., Et Al. (05188) Lease, and Well No. 1 existing on the said Lease, and of the Dailey, R. S. -C- (04499) Lease, Well No. 4, as defined by Commission Statewide Rules 14, 58 and 79 (Tex. R.R. Comm'n, 16 TEX. ADMIN. CODE §§3.14, 3.58, and 3.69) and Chapters 85 and 89 of the Texas Natural

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Resources Code.

4. As operator, Jimmy Roberson Energy Corp. has the primary responsibility for complying with Statewide Rules 8, 14 and 91 (Tex. R.R. Comm'n, 16 TEX. ADMIN. CODE §§3.8, 3.14, and 3.91), Chapters 89 and 91 of the Texas Natural Resources Code, and other applicable statutes and Commission rules, respecting the subject leases and wells.
5. The subject wells are not properly plugged or otherwise in compliance with Statewide Rule 14 (Tex. R.R. Comm'n, 16 TEX. ADMIN. CODE §3.14), or Chapters 85, 89 and 91 of the Texas Natural Resources Code. The subject wells have been out of compliance since at least February 1, 2001.
6. By causing or allowing the unpermitted discharge or disposal of oil and/or gas wastes on the Dailey, H. H., Et Al (05188) Lease, Jimmy Roberson Energy Corp. violated Statewide Rule 8(d)(1) (Tex. R.R. Comm'n, 16 TEX. ADMIN. CODE §3.8(d)(1)) and, by failing to remediate the discharge timely, violated Statewide Rule 91 (Tex. R.R. Comm'n, 16 TEX. ADMIN. CODE §3.91), and Chapter 91 of the Texas Natural Resources Code. Jimmy Roberson Energy Corp. was out of compliance with Statewide Rules 8 and 91 at least during the period January 5, 2001, through February 4, 2002.
7. The documented violations committed by Jimmy Roberson Energy Corp. constitute acts deemed serious and a hazard to the public health, and demonstrate a lack of good faith as provided by TEX. NAT. RES. CODE ANN. §81.0531(c) (Vernon 2001).

**RECOMMENDATION**

The examiner recommends that the above findings and conclusions be adopted and the attached order approved, requiring the operator Jimmy Roberson Energy Corp. to:

1. Plug the Dailey, H. H., Et Al. (05188) Lease, Well No. 1, Navarro Crossing Field, Houston County, Texas;
2. Plug the Dailey, R. S. -C- (04499) Lease, Well No. 4, Navarro Crossing Field, Houston County, Texas;
3. Clean-up and place in compliance with Statewide Rules 8 and 91 (Tex. R.R. Comm'n, 16 TEX. ADMIN. CODE §§3.8 and 3.91) the Dailey, H. H., Et Al. (05188) Lease, Navarro Crossing Field, Houston County, Texas; and
4. Pay an administrative penalty in the amount of FIVE THOUSAND AND NO/100

DOLLARS (\$5,000.00).

Respectfully submitted,

James M. Doherty  
Hearings Examiner