

RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
HEARINGS SECTION

OIL & GAS DOCKET NO. 09-0228310

ENFORCEMENT ACTION AGAINST MOBILE PETROVAC, INC. DOING BUSINESS AS MOBIL PETRO VAC., INC. AND/OR RICHARD REYNOLDS FOR VIOLATIONS OF STATEWIDE RULES ON THE NOVAK, BARBARA (09139) LEASE, WELL NOS. 2A, 3, 3A, 4, 4A, AND 7, BAYLOR COUNTY REGULAR FIELD, BAYLOR COUNTY, TEXAS.

FINAL ORDER

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the examiner on June 30, 2003 who 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 were adopted in an Interim Order on November 25, 2003.

The November 25, 2003 Interim Order recognized Mobile Petrovac, Inc., as the operator of the Novak, Barbara (09139) Lease, Well Nos. 2A, 3, 3A, 4, 4A, and 7, Baylor County Regular Field, Baylor County, Texas. The Commission ordered that Mobile Petrovac, Inc. plug Well Nos. 2A, 3, 3A, 4, 4A, and 7 on the Novak, Barbara (09139) Lease in compliance with Statewide Rule 14. All of the wells were to be plugged within 90 days after the effective date of the Interim Order. Additionally the Interim Order provided that if Mobile Petrovac, Inc. failed to plug the wells within 90 days, a further hearing could be held for the purpose of entering a Final Order assessing an administrative penalty in the amount of \$12,000; and additional administrative penalties in an amount not to exceed \$10,000 per day for the failure to comply with the terms of the Interim Order.

On April 15, 2004, the hearing in this docket was reopened and heard by the examiner to consider the failure of Mobile Petrovac, Inc. to comply with the Commission's Interim Order. Notice of the reopened hearing was provided to the representative of Mobile Petrovac, Inc. who attended the June 30, 2003 hearing. Enforcement appeared at the reopened hearing on behalf of the Commission. No appearance was made by Mobile Petrovac, Inc. A revised Proposal for Decision containing Findings of Fact and Conclusions of Law was prepared and circulated by the examiner. 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.

Due to the failure of Mobile Petrovac, Inc. to plug the wells within 90 days of the effective date of the Commission's Interim Order of November 25, 2003, and the failure of Mobile Petrovac, Inc. to otherwise comply with the requirements of this Commission's Interim Order of November 25, 2003, the Commission hereby **ORDERS** that within 30 days from the day immediately following the date that this order becomes final Mobile Petrovac, Inc., shall pay an administrative penalty of **TWENTY TWO**

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 order is served on the parties.

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 25th day of May, 2004, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN VICTOR G. CARRILLO

COMMISSIONER CHARLES R. MATTHEWS

COMMISSIONER MICHAEL L. WILLIAMS

ATTEST:

SECRETARY