

# RAILROAD COMMISSION OF TEXAS

## OFFICE OF GENERAL COUNSEL

### HEARINGS SECTION

**OIL AND GAS DOCKET NO. 09-0252459**

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**ENFORCEMENT ACTION AGAINST SADDLE CREEK ENERGY DEVELOPMENT (OPERATOR NO. 743065) FOR VIOLATIONS OF STATEWIDE RULES ON THE FOMBY LEASE, DRILLING PERMIT NO. 630921, WELL NO. 2, NEWARK, EAST (BARNETT SHALE) FIELD, DENTON COUNTY, TEXAS.**

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### FINAL ORDER

The Commission finds that, after statutory notice in the above-numbered docket, heard on January 24, 2008, the examiner has made and filed a proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record, and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the proposal for decision, the findings of fact and conclusions of law contained therein, and any exceptions and replies, hereby adopts as its own the findings of fact and conclusions of law contained in the proposal for decision, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein with the exception of Conclusions of Law Nos. 3, 4, 5, and 6 which should be corrected to refer to Well No. 2 instead of Well No. 1.

It is accordingly **ORDERED** that, within 30 days from the day immediately following the date this order becomes final that Saddle Creek Energy Development, be required:

1) to bring the Fomby Lease, Drilling Permit No. 630921, Well No. 2, Newark, East (Barnett Shale) Field, Denton County, Texas into compliance with Commission Rules by removing all solids associated with the overflow of low chloride drilling fluids from a reserve pit in January, April and May 2008 or by obtaining a minor permit from the District Office which incorporates documentation of written permission from the landowners of the affected properties; and,

2) to be assessed an administrative penalty of **NINE THOUSAND SEVEN HUNDRED AND FIFTEEN DOLLARS (\$9,715.00.)**

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 29th day of May 2008, in Austin, Texas.

**RAILROAD COMMISSION OF TEXAS**

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**MICHAEL L. WILLIAMS, CHAIRMAN**

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**VICTOR G. CARRILLO, COMMISSIONER**

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**ELIZABETH A. JONES, COMMISSIONER**

**ATTEST:**

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**SECRETARY**