

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
OIL AND GAS SECTION**

OIL AND GAS DOCKET NO. 03-0221697

ENFORCEMENT ACTION FOR ALLEGED VIOLATIONS COMMITTED BY JURASSIC OPERATING COMPANY, INC. (448239), AS TO THE BOOTH LEASE, WELL NO. 1 (479120), WILDCAT (THOMPSON VICKSBURG) FIELD, FORT BEND COUNTY, TEXAS

FINAL ORDER

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the examiner on April 17, 2000 and that the respondent, Jurassic Operating Company, Inc. (448239), failed to appear or respond to the notice. Pursuant to § 1.49 of the Commission's General Rules of Practice and Procedure [Tex. R. R. Comm'n, 16 TEX. ADMIN. CODE § 1.49] and after being duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, the Commission makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

1. Jurassic Operating Company, Inc. (448239), ("respondent") was given Notice of Opportunity for Hearing by certified mail, addressed to the most recent P-5 address on the Form P-5 (Organization Report) address, which was signed and returned to the Commission.
2. The returned certified receipt (green card) that was attached to the Original Complaint and the Notice of Hearing Opportunity, was signed and returned to the Commission on March 20, 2000. The certified receipt has been on file with the Commission for 15 days, exclusive of the day of receipt and day of issuance.
3. On May 12, 1999, Respondent, a Corporation, filed an Organization Report (Form P-5) with the Commission reporting that its officers consisted of the following individual: Dennis R. Kittler; President.
4. Respondent designated itself to the Commission as the operator of the Booth Lease ("subject lease") by filing a Form W-1 (Application to Drill, Deepen, Plug Back or Re-Enter), filed with the Commission on August 31, 1998.

OIL AND GAS DOCKET NO. 03-0221697

5. A Commission district office inspection was conducted on February 21, 1999 on the Booth Lease. The suction pump was submerged in the western corner of the reserve pit, the pump's four inch discharge hose was extended toward Rabbs Bayou with scratch marks on the bank indicating where the hose had been extended into Rabbs Bayou, the ("discharge point"). Fluids in the bottom of Rabbs Bayou had the same appearance and odor as fluids still in the reserve pit. A sample was taken at the reserve pit which tested 204mg/L Barium and 1602 mg/L Chloride, with specific conductance at 25C of 7660 umhos/cm. A sample was taken downstream of the discharge point which tested 203 mg/L Barium, and 1557 mg/L Chloride, with specific conductance at 25C of 7530 umhos/cm. A sample was taken upstream of the discharge point which tested 0.53 mg/L Barium, and 23 mg/L Chloride, with specific conductance at 25C of 459 umhos/cm.
6. Commission district office inspection reports were conducted on March 3, 1999 and March 15, 1999 for the Booth Lease. The drilling fluids had been removed from Rabbs Bayou and the remaining drilling fluids in the reserve pit were pumped to a designated landfarming area.
7. No permit has been issued to the Respondent for the discharge of oil and gas wastes on or from the subject lease.
8. The unpermitted discharges of oil and gas wastes or other substances or materials on the subject lease constitute a hazard to public health and safety because leaks and spills of oil and produced waters onto soils can migrate into surface water bodies causing contamination or can leach into the ground and percolate through soils into groundwater supplies.
9. The respondent did not demonstrate good faith since it failed to place the subject lease in compliance after being notified of the violations by the District Office and failed to appear at the hearing to explain its inaction.

CONCLUSIONS OF LAW

1. Proper notice was issued by the Railroad Commission to respondent and all other 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. Respondent is in violation of Commission Statewide Rules 8(b) and 8(d)(1).
4. Respondent is responsible for maintaining the subject lease in compliance with Rule 8(b), which prohibits any person conducting activities that may cause or allow pollution of surface or subsurface water in the state.
5. Respondent is responsible for maintaining the subject lease in compliance with Rule 8(d)(1), which prohibits the discharge of oil and gas wastes without a permit.

OIL AND GAS DOCKET NO. 03-0221697

6. Respondent is responsible for maintaining the subject lease in compliance with all applicable Statutes and Commission rules, specifically Statewide Rules 14, 58, and 79 and Chapters 89 and 91, Texas Natural Resources Code.
7. The documented violations committed by the respondent constitute acts deemed serious, a hazard to the public health, and demonstrate a lack of good faith pursuant to TEX. NAT. RES. CODE ANN. §81.0531(c) (Vernon 1993).

IT IS ORDERED THAT within 30 days from the day immediately following the date this order becomes final:

1. Jurassic Operating Company, Inc. (448239), shall place the Booth Lease, Wildcat (Thompson Vicksburg) Field, Fort Bend County, Texas in compliance with applicable Commission rules and regulations; and
2. Jurassic Operating Company, Inc. (448239), shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **TEN THOUSAND DOLLARS (\$10,000.00)**.

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 three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion 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.

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 otherwise 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 6th day of June, 2000.

RAILROAD COMMISSION OF TEXAS

(Signatures affixed by Default Master Order dated June 6, 2000)

MH/sa