

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
HEARINGS SECTION**

OIL AND GAS DOCKET NO. 03-0254676

ENFORCEMENT ACTION FOR ALLEGED VIOLATIONS COMMITTED BY DELTA EXPLORATION COMPANY, INC. (213559), AND/OR TRIPLE F OILFIELD SERVICE (870386), AS TO THE JAMES GRAY "A" LEASE, WELL NO. 3, WILDCAT FIELD, NEWTON COUNTY, TEXAS

FINAL ORDER

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the examiner on June 5, 2008, and that the respondent, Delta Exploration Company, Inc. (213559), and/or Triple F Oilfield Service (870386), failed to appear or respond to the Notice of Opportunity For Hearing. 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. Delta Exploration Company, Inc. (213559), and/or Triple F Oilfield Service (870386), ("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 Reports, which were signed and returned to the Commission.
2. The returned certified receipts (green cards) that were attached to the Original Complaint and the Notice of Opportunity for Hearing mailed to Respondent's most recent P-5 address were signed and returned to the Commission on April 28, 2008 and April 21, 2008. The certified receipts have been on file with the Commission for 15 days, exclusive of the day of receipt and day of issuance.
3. On November 8, 2007, Delta Exploration Company, Inc. (213559), Respondent, a Corporation, filed an Organization Report (Form P-5) with the Commission reporting that its officers consisted of the following individual(s): Roger Alan Parker, Chairman; and John Wallace, President.
4. On October 29, 2007, Triple F Oilfield Service (870386), Respondent, filed an Organization Report (Form P-5) with the Commission reporting that its officers consisted of the following individual(s): Christopher Wayne Tyre, Owner.

5. Roger Alan Parker, was a person in a position of ownership or control of respondent, as defined by Texas Natural Resources Code Section 91.114, during the time period of the violations of Commission rules committed by respondent.
6. John Wallace, was a person in a position of ownership or control of respondent, as defined by Texas Natural Resources Code Section 91.114, during the time period of the violations of Commission rules committed by respondent.
7. Christopher Wayne Tyre, was a person in a position of ownership or control of respondent, as defined by Texas Natural Resources Code Section 91.114, during the time period of the violations of Commission rules committed by respondent.
8. According to Commission records Delta Exploration Company, Inc.'s P-5 (Organization Report) is active. Respondent has a \$310,00.00 Letter of Credit as its Financial Assurance.
9. According to Commission records Triple F Oilfield Service's P-5 (Organization Report) is active.
10. The violations of Commission rules committed by respondent are related to safety and the control of pollution.
11. A Commission District inspection was conducted on September 12, 2007 for the James Gray "A" Lease. A large amount of drilling mud from the well drilling site was dumped in a low lying area near the drilling site. The dump area was approximately 50 to 75 yards southeast of the line heater. A Commission District inspection conducted on September 17, 2007, indicated that the area of the spill covered was approximately 350-400 yards long, approximately 40-60 yards wide, and ranged from 2" deep to 18" deep. A Commission District inspection conducted on September 28, 2007, indicated that no attempt to clean up the spill had been started at the facility. A Commission District inspection conducted on October 2, 2007, indicated that the spill was larger and deeper than originally thought. New estimates for the spill indicated a width of 60-70 yards, and a depth of up to 2' of mud. Clean up had begun on the site, Clean up had been completed by a January 8, 2008 Commission District inspection.
12. No permit has been issued to Respondent for the discharge of oil and gas wastes on or from the subject lease.
13. 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.
14. The Respondent did not demonstrate good faith since it failed to plug or otherwise place the subject lease and subject well in compliance after being notified of the violations by the District Office and failed to appear at the hearing to explain its inaction.
15. Respondent was responsible for violations on the James Gray "A" Lease from September 12, 2007 until January 8, 2008.
16. Respondent has a prior history of Commission rule violations including the following

docket(s):

Docket No. 03-0252467 and 03-0251971; Agreed Final Orders Served: August 14, 2007; and January 28, 2008.

CONCLUSIONS OF LAW

1. Proper notice was issued by the Railroad Commission to respondent and to 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 was in violation of Commission Statewide Rule 8(d)(1).
4. Respondent was responsible for maintaining the subject lease in compliance with Statewide Rule 8(d)(1), which prohibits the discharge of oil and gas wastes without a permit.
5. Respondent was responsible for maintaining the subject lease and well in compliance with all applicable Commission rules according to Statewide Rules 14, 58, and 79 and Chapters 89 and 91 of the Texas Natural Resources Code.
6. 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).
7. As a person in a position of ownership or control of respondent at the time respondent violated Commission rules related to safety and the control of pollution, Roger Alan Parker, and any other organization in which he may hold a position of ownership or control, shall be subject to the restrictions of Texas Natural Resource Code Section 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 until 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, whichever is earlier.

8. As a person in a position of ownership or control of respondent at the time respondent violated Commission rules related to safety and the control of pollution, John Wallace, and any other organization in which he may hold a position of ownership or control, shall be subject to the restrictions of Texas Natural Resource Code Section 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 until 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, whichever is earlier.
9. As a person in a position of ownership or control of respondent at the time respondent violated Commission rules related to safety and the control of pollution, Christopher Wayne Tyre, and any other organization in which he may hold a position of ownership or control, shall be subject to the restrictions of Texas Natural Resource Code Section 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 until 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, whichever is earlier.

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

1. Delta Exploration Company, Inc. (213559) and/or Triple F Oilfield Service (870386), shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **TWENTY THOUSAND DOLLARS (\$20,000.00) less NINETEEN THOUSAND FIVE HUNDRED DOLLARS (\$19,500.00) already received.**

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 parties are notified of the order.

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 7th day of October 2008.

RAILROAD COMMISSION OF TEXAS

(Signatures affixed by Default Master Order dated October 7, 2008)

MH/sa