

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

**OIL AND GAS DOCKET NO. 7B-0219036**

---

**ENFORCEMENT ACTION FOR ALLEGED VIOLATIONS COMMITTED BY PETROX ENERGY CORPORATION (660946), AS TO THE FAMBRO, SAM A. LEASE, WELL NOS. 1 (085454), 2 (086063) AND 3 (085456), STEPHENS COUNTY REGULAR (GAS) FIELD, STEPHENS COUNTY, TEXAS**

---

**FINAL ORDER**

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the examiner on July 29, 1999, and that the respondent, Petrox Energy Corporation (660946), 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. Petrox Energy Corporation (660946), ("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 returned to the Commission marked "attempted not known."
2. The returned certified receipt containing the Original Complaint and the Notice of Hearing Opportunity, was returned to the Commission marked "attempted not known" on June 16, 1999. 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 February 6, 1995, Respondent, a Corporation, filed an Organization Report (Form P-5) with the Commission reporting that its officers consisted of the following individual: William Gary Buck; President.
4. Respondent designated itself to the Commission as the operator of Well Nos. 1 (085454), 2 (086063) and 3 (085456) on the Fambro, Sam A. Lease ("subject wells"/"subject lease") by filing a Form P-4 (Producer's Transportation Authority and Certificate of Compliance) with the Commission, effective on February 1, 1995 for all of the subject wells.
5. The subject wells have been dry or inactive for a period in excess of one year. Commission inspection and/or production reports indicate that the subject wells ceased production on or before August 1, 1995 for all of the wells.

## **OIL AND GAS DOCKET NO. 7B-0219036**

6. The subject wells were not properly plugged in a timely manner, in accordance with, and were not otherwise in compliance with, Statewide Rule 14.
7. Usable quality water in the area could have been contaminated by migrations or discharges of saltwater and other oil and gas wastes from the subject wells. Unplugged wellbores constitute a cognizable threat to public health and safety because of the probability of pollution.
8. The subject wells were plugged by the State with Commission funds between April 21, 1998 and April 22, 1998 .
9. The total cost to the state for plugging the subject wells was \$15,914.50.
10. Commission district office inspections were conducted on March 15, 1996, April 15, 1996, May 20, 1996, August 8, 1996, September 12, 1996, October 14, 1996 and March 15, 1999 for the Fambro, Sam A. Lease. Two open pits exist on the lease. One pit measures approximately 8' x 30' x 3' and was dry except for occasional rainwater. The second pit measures approximately 8' x 15' x 2' and is also dry except for occasional rainwater.
11. Unfilled pits constitute a hazard to public health and safety because of the potential for illegal dumping in the pits and the potential for surface run-off to collect in the pit and seep into subsurface waters.
12. The respondent did not demonstrate good faith since it failed to plug or otherwise place the subject wells and 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 Rule 8(d)(4)(G)(i)(III).
4. Respondent was in violation of Commission Statewide Rule 14(b)(2).
5. Respondent is responsible for maintaining the subject lease in compliance with Rule 8(d)(4)(G)(i)(III), which requires workover pits to be dewatered, filled and compacted within 120 days from completion of workover operations.
6. Respondent is responsible for maintaining the subject wells and 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.

**OIL AND GAS DOCKET NO. 7B-0219036**

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. Petrox Energy Corporation (660946), shall place the Fambro, Sam A. Lease, Well Nos. 1 (085454), 2 (086063) and 3 (085456), Stephens County Regular (Gas) Field, Stephens County, Texas in compliance with applicable Commission rules and regulations; and
2. Petrox Energy Corporation (660946), shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **EIGHT THOUSAND FIVE HUNDRED DOLLARS (\$8,500.00)** and **REIMBURSE** State Funds in the amount of **FIFTEEN THOUSAND NINE HUNDRED FOURTEEN DOLLARS AND FIFTY CENTS (\$15,914.50)**.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after it is actually mailed to the parties by the Commission; provided that if a motion for rehearing is filed by any party at interest within such 20-day period, this order shall not become final and effective 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.

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 19th day of October, 1999.

**RAILROAD COMMISSION OF TEXAS**

(Signatures affixed by Default Master Order dated October 19, 1999)

MFE/sa