

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

**OIL AND GAS DOCKET NO. 7B-0261210**

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**ENFORCEMENT ACTION FOR ALLEGED VIOLATIONS COMMITTED BY QUAIL OPERATING, INC. (684501), AS TO THE MAGGIE SHAFFRINA ET AL (15991) LEASE, WELL NO. 1A, CALLAHAN COUNTY REGULAR FIELD, CALLAHAN COUNTY, TEXAS**

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**FINAL ORDER**

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the examiner on June 25, 2009, and that the respondent, Quail Operating, Inc. (684501), failed to appear or respond to the Notice of 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. Quail Operating, Inc. (684501), ("Respondent") was given Notice of Hearing by certified mail, addressed to Respondent's most recent P-5 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 mailed to Respondent's most recent P-5 address, was signed and returned to the Commission on April 14, 2009. 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 January 5, 2009, Respondent, a Corporation, filed an Organization Report (Form P-5) with the Commission reporting that its officers consisted of the following individual(s): Gregory G. Bradshaw; President.
4. Gregory G. Bradshaw, 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
5. The violations of Commission rules committed by respondent are related to safety and the control of pollution.

6. Respondent designated itself to the Commission as the operator of Well No. 1A on the Maggie Shaffrina Et Al (15991) Lease (subject well/"subject lease") by filing a Form P-4 (Producer's Transportation Authority and Certificate of Compliance) with the Commission effective on May 1, 1997.
7. According to Commission records the Respondent's Form P-5 (Organization Report) is active. Respondent has a \$50,000.00 Letter of Credit as its financial assurance.
8. Production from the subject well ceased on or before January 1, 1993.
9. Commission records indicate that no Form H-15 (Test On An Inactive Well More Than 25 Years Old) has been filed and approved for the Maggie Shaffrina Et Al (15991) Lease, Well No. 1A. Commission records further show that the Maggie Shaffrina Et Al (15991) Lease, Well No. 1A was completed on February 22, 1980, that an H-15 test was due in May of 2005, and that the well has not been plugged.
10. The Statewide 14(b)(2) plugging extension for Well No. 1A on the Maggie Shaffrina Et Al (15991) Lease, was denied for failure to file an H-15.
11. The subject well has not been properly plugged in accordance with, and is not otherwise in compliance with Statewide Rule 14.
12. Usable quality groundwater in the area is likely to be contaminated by migrations or discharges of saltwater and other oil and gas wastes from the subject well. Unplugged wellbores constitute a cognizable threat to the public health and safety because of the potential for pollution.
13. The estimated cost to the State of plugging the subject well is \$9,800.00.
14. The Respondent has not demonstrated good faith since it failed to timely 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.

### **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 is in violation of Commission Statewide Rules 14(b)(2) and 14(b)(3).

1. becomes final:
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~~THOUSAND DOLLARS~~

SC ODA  
N Z§81.0531(c).

MH/sa

Done the General Assembly on July 2009.

Noncompliance requests for the 2009-2010 fiscal year.

data(2009) REQUEST FOR INFORMATION TEXAS