

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

OIL AND GAS DOCKET NO. 08-0221092

ENFORCEMENT ACTION FOR ALLEGED VIOLATIONS COMMITTED BY PRO-WATER SERVICE (679292), AS TO THE WINTERS (26514) LEASE, VAN GRIS (WOLFCAMP) FIELD, HOWARD COUNTY, TEXAS

FINAL ORDER

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the examiner on July 22, 1999, and that the respondent, Pro-Water Service (679292), 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. Pro-Water Service (679292), ("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 "moved left no address."
2. The returned certified receipt containing the Original Complaint and the Notice of Hearing Opportunity, was returned to the Commission marked "moved left no address" on March 22, 1999 and has been on file with the Commission for 15 days, exclusive of the day of receipt and day of issuance.
3. On February 5, 1997, Respondent, a Corporation, filed an Organization Report (From P-5) with the Commission reporting that its officers consisted of the following individuals: Billy Glenn King; President.
4. Respondent designated itself to the Commission as the operator of the Winters (26514) Lease ("subject lease") by filing a Form P-4 (Producer's Transportation Authority and Certificate of Compliance) with the Commission, effective on February 1, 1991.
5. A Commission district office inspection report was conducted on November 20, 1998 for the Winters (26514) Lease. A produced waster and oil spill approximately 150' x 100' was inside the tank battery. The estimated volume of the spill was 350 barrels.
6. A Commission district office inspection was conducted on December 2, 1998 on the Winters

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(26514) Lease. There were oil and water fluids still standing as deep as 12 inches at the tank battery dike. There has been no attempts to remediate the pollution.

7. A Commission district office inspection was conducted on January 6, 1999 for the Winters (26514) Lease. The 150' x 100' produced water and oil leak inside the tank battery had not been properly cleaned and the Respondent had opened the valve on the produced water tank and was dumping water and oil inside the tank battery dike covering the 150' x 100' area and increasing it to a 200' x 100' affected area. There was free standing oil throughout the area. The inspection further revealed that fluids had continued to soak through the tank battery dike affecting an area 15' x 30' x 3". The produced water was tested at 58,000 parts per million chlorides.
8. No permit has been issued to the Respondent for the discharge of oil and gas wastes on or from the subject lease.
9. 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.
10. The respondent has not demonstrated 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.
11. The Respondent has a prior history of Commission rule violations including the following docket(s):

Docket No. 08-0214804; Rule 8; Final Order Served: July 17, 1998.

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)(1).
4. 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.
5. 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.
6. The documented violations committed by the respondent constitute acts deemed serious, a

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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. Pro-Water Service (679292), shall plug and or otherwise place the Winters (26514) Lease, Van Gris (Wolfcamp) Field, Howard County, Texas
2. Pro-Water Service (679292), shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **FIVE THOUSAND DOLLARS (\$5,000.00)**.

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 14th day of September, 1999.

RAILROAD COMMISSION OF TEXAS

(Signatures affixed by Default Master Order dated September 14, 1999)

MFE/sa