

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

**OIL AND GAS DOCKET NO. 09-0230195**

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**ENFORCEMENT ACTION FOR ALLEGED VIOLATIONS COMMITTED BY SAVANNAH ROSS AND COMPANY, LLC (748950), AS TO THE BROOKRESON (13828) LEASE, WELL NOS. 1, 2 AND 3, BENJAMIN (MARBLE FALLS) FIELD, KNOX 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 April 18, 2002, and that the respondent, Savannah Ross and Company, LLC (748950), 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. Savannah Ross and Company (748950), ("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, which was returned to the Commission marked "box closed, unable to forward."
2. The returned certified receipt containing the Original Complaint and the Notice of Opportunity for Hearing was returned to the Commission marked "box closed, unable to forward" on March 13, 2002. The returned certified receipt (green card) that was attached to the Original Complaint and the Notice of Hearing Opportunity sent to the President and Manager, Bud Richardson II, was signed and returned to the Commission on March 12, 2002. The certified receipts have been on file with the Commission for 15 days, exclusive of the day of receipt and day of issuance.
3. Respondent designated itself to the Commission as the operator of Well Nos. 1, 2 and 3 on the Brookreson (13828) Lease ("subject wells"/"subject lease") by filing a Form P-4 (Producer's Transportation Authority and Certificate of Compliance) with the Commission effective on January 1, 1998.
4. According to Commission records the Respondent's Form P-5 (Organization Report) is delinquent as of April 2, 1998.

5. Commission district office inspections and the lack of production reports indicate that Well Nos. 1 and 2 ceased production on or before June 30, 2000. Well No. 3 ceased disposal on or before November 1, 1992.
6. The subject wells have not been properly plugged in accordance with, and are not otherwise in compliance with, Statewide Rule 14.
7. 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 wells. Unplugged wellbores constitute a cognizable threat to the public health and safety because of the probability of pollution.
8. The total estimated cost to the State for plugging the subject wells is \$20,700.00.
9. Commission district office inspections were conducted on September 7, 2001, September 19, 2001 and October 17, 2001 for the Brookreson (13828) Lease. The required signs and or identification required to be posted at Well Nos. 1 and 3 were missing.
10. A Commission district office inspection was conducted on September 7, 2001 for the Brookreson (13828) Lease. Respondent had caused or allowed Well No. 3 to be disconnected, with inoperable casing valve, and no visible bradenhead valve. A followup inspection report conducted on October 17, 2001 indicated that Well No. 3 was still inactive, with frozen valve, no accessible tubing, casing annulus and no bradenhead observation valve visible.
11. The Respondent has not demonstrated good faith since it failed to plug or otherwise place the subject lease and the subject wells 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 3(a), 14(b)(2) and 46(G)(2).
4. Respondent is responsible for maintaining the subject lease in compliance with Rule 3(a), which requires that each property that produces oil, gas or geothermal resources and each oil, gas, or geothermal resource well and tank, or other approved crude oil measuring facility shall post signs and or identification.
5. Respondent is responsible for maintaining the subject lease in compliance with Rule 46(g)(2), which requires that the wellhead must be equipped with a pressure observation valve on the tubing and for each annulus of the well.
6. Respondent is responsible for maintaining the subject lease in compliance with all

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applicable Commission rules and for properly plugging the subject wells according to Statewide Rules 14, 58, and 79 and Chapters 89 and 91 of the 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 2001).

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

1. Savannah Ross and Company, LLC (748950), shall plug or otherwise place Well Nos. 1 and 2, and shall plug Well No. 3, on the Brookreson (13828) Lease, W. Benjamin (Marble Falls) Field, Knox County, Texas in compliance with applicable Commission rules and regulations; and
2. Savannah Ross and Company, LLC (748950), shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$7,500.00)**.

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 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 9th day of July 2002.

**RAILROAD COMMISSION OF TEXAS**

(Signatures affixed by Default Master Order dated July 9, 2002)

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