

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

OIL AND GAS DOCKET NO. 09-0246037

ENFORCEMENT ACTION FOR ALLEGED VIOLATIONS COMMITTED BY RED RIVER EXPLORATION, INC. (697053), AS TO THE MOSES FARMOUT ROBERTS LEASE, WELL NOS. 1 (546451) AND 2 (546452), WICHITA COUNTY REGULAR FIELD, WICHITA COUNTY, TEXAS

FINAL ORDER

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the examiner on April 10, 2008, and that the respondent, Red River Exploration, Inc. (697053), failed to appear 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. Red River Exploration, Inc. (697053), ("Respondent") was given Notice of Hearing by certified mail, addressed to the most recent P-5 address on the Form P-5 Organization Report, 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 March 3, 2008. 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 April 7, 2005, Respondent, a Corporation, filed an Organization Report (Form P-5) with the Commission reporting that its officers consisted of the following individual(s): Boo Nathaniel J. Bradberry, President; and Nolan Jacob Bradberry, Vice-President.
4. Boo Nathaniel J. Bradberry, 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. Nolan Jacob Bradberry, 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. The violations of Commission rules committed by respondent are related to safety and the control of pollution.
7. Respondent designated itself to the Commission as the operator of Well Nos. 1 (546451) and 2 (546452) on the Moses Farmout Roberts Lease ("subject wells"/"subject lease") by filing Forms W-1 (Application to Drill, Deepen, Plug Back or Re-Enter) with the Commission on June 3, 2004 for both of the subject wells.
8. According to Commission records the Respondent's Form P-5 (Organization Report) was delinquent at the time of the hearing. Respondent had a \$50,000.00 Bond as its financial assurance at the time of the hearing. Commission records indicate that on June 17, 2008, Respondent's Form P-5 (Organization Report) became active. Respondent has a \$50,000 Bond as its financial assurance.
9. Well Nos. 1 (546451) and 2 (546452) on the Moses Farmout Roberts Lease have never produced.
10. 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 potential of pollution.
11. The total estimated cost to the State of plugging Well Nos. 1 (546451) on the Moses Farmout Roberts Lease is \$2,300.00 and for Well No. 2 (546452) on the Moses Farmout Roberts Lease is \$2,300.00.
12. Commission inspections were conducted on October 13, 2005 and November 14, 2005 for the Moses Farmout Roberts Lease. Respondent has not dewatered and backfilled the reserve pit on the subject land. The pit is approximately 12' x 6' and 5' deep with 1' of fresh water. A Commission inspection conducted on January 11, 2008 indicated the water had been removed and/or evaporated, but the pit still remained.
13. 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 runoff to collect in the pit and seep into subsurface waters.
14. Commission inspections were conducted on October 13, 2005 and November 14, 2005 for the Moses Farmout Roberts Lease. Well No. 1 (546451) is equipped with 4 ½ " casing, which is open to the atmosphere. A Commission inspection conducted on January 11, 2008 showed that the well had been capped and shut in.
15. Commission inspections were conducted on October 13, 2005 and November 14, 2005 for the Moses Farmout Roberts Lease. Well No. 2 (546452) is equipped with 4 ½ " casing, which is open to the atmosphere. A Commission inspection conducted on January 11, 2008 showed that the well had been capped and shut in.

16. Respondent was in violation of Statewide Rule 13(b)(1)(B) on the Moses Farmout Roberts Lease Well No. 1 (546451) and 2 (546452) from October 13, 2005 to January 11, 2008.
17. Maintenance of surface control by wellhead assemblies is necessary to prevent the discharge of oil and gas wastes on the subject lease constituting a hazard to public health and safety because the discharges of oil and gas wastes onto land surface can migrate into surface or subsurface waters.
18. Commission inspections were conducted on October 13, 2005 and November 14, 2005 on the Moses Farmout Roberts Lease. Well No. 1 (546451) has been completed with 4 ½” casing, but Respondent has not filed the required completion report. A Commission inspection conducted on January 11, 2008 showed that the Respondent had still not filed the required completion report.
19. Commission inspections were conducted on October 13, 2005 and November 14, 2005 on the Moses Farmout Roberts Lease. Well No. 2 (546452) has been completed with 4 ½” casing, but Respondent has not filed the required completion report. A Commission inspection conducted on January 11, 2008 showed that the Respondent had still not filed the required completion report.
20. The Respondent has not demonstrated good faith since it failed to timely plug or otherwise place the subject lease and 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 8(d)(4)(G)(i)(III), 14(b)(2) and 16(b).
4. Respondent was in violation of Statewide Rule 13(b)(1)(B).
5. Respondent is responsible for maintaining the subject lease in compliance with Statewide 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 was responsible for maintaining the subject lease in compliance with Statewide Rule 13(b)(1)(B), which requires that surface control of all wells be maintained with wellhead assemblies.

7. Respondent is responsible for maintaining the subject lease in compliance with Statewide Rule 16(b), which requires that the owner, or operator of an oil, gas or geothermal resource well, must within thirty days after the completion of such well, or the plugging of such well, if the well is a dry hole, shall file with the Commission the appropriate completion or plugging report.
8. Respondent is responsible for maintaining the subject lease and subject wells 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.
9. 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).
10. 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, Boo Nathaniel J. Bradberry, 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.
11. 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, Nolan Jacob Bradberry, 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

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

1. Red River Exploration, Inc. (697053), shall plug the Moses Farmout Roberts Lease, Well Nos. 1 (546451) and 2 (546452), Wichita County Regular Field, Wichita County, Texas in compliance with applicable Commission rules and regulations; and

2. Red River Exploration, Inc. (697053), shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **EIGHT THOUSAND DOLLARS (\$8,000.00)**.

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 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 12th day of August 2008.

RAILROAD COMMISSION OF TEXAS

(Signatures affixed by Default Master Order dated August 12, 2008)

ME/sa