

RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0284441

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**COMMISSION CALLED HEARING ON THE REQUEST OF FOYORO ENERGY, LLC,  
TO GIVE FOYORO AN OPPORTUNITY TO SHOW CAUSE WHY THE  
COMMISSION SHOULD NOT CANCEL THE P-4 CERTIFICATE OF COMPLIANCE  
AND SEVER, FOR VIOLATIONS OF STATEWIDE RULES 3, 8, 21, AND/OR 91,  
FOYORO'S BATEMAN (AUSTIN CHALK) UNIT, BATEMAN (AUSTIN CHALK)  
FIELD, BASTROP 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 November 4, 2013, and that the respondent, Foyoro Energy, LLC ("Foyoro"), 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. On August 16, 2013, the Commission mailed to Foyoro Energy, LLC, ("Foyoro") a Notice of Intent to Cancel P-4 Certificate of Compliance and to Sever Pipeline or Other Carrier Connection ("Notice"), by certified mail, (Certified Mail No. 7004 1160 0006 9670 4285) addressed to the most recent Form P-5 (Organization Report) address. The Notice alleged violations of Statewide Rules 3, 8, 21 and 91, occurring on Foyoro's Bateman (Austin Chalk) Unit, Bateman (Austin Chalk) Field, in Bastrop County, Texas.
2. On August 23, 2013, Foyoro requested a hearing to contest the violations alleged in the Commission's August 16, 2013 Notice.
3. On October 15, 2013, a Notice of Hearing on the above-referenced docket setting a hearing for Foyoro Energy, LLC, directed to the address provided by Foyoro on its most recent Form P-5 (Organization Report) address.
4. On November 4, 2013, Foyoro failed to appear at the hearing.
5. As of the dates of District Office inspections conducted on June 10, 2013; August 8, 2013; and September 4, 2013, for the Bateman (Austin Chalk) Unit, Bateman (Austin Chalk) Field, Foyoro failed to post the required signs and/or identification at the lease entrances and wells, in violation of 16 Tex. Admin. Code §3.3.

6. As of the dates of District Office inspections conducted on June 10, 2013; August 8, 2013; and September 4, 2013, for the Bateman (Austin Chalk) Unit, Bateman (Austin Chalk) Field, numerous oil spills were observed and documented on Tank Battery #1, #2, and #3; as well as at Well Nos. 102, 103, 110, 112, 114, 201, 205, 208, 211 and 401, in violation of 16 Tex. Admin. Code §3.8.
7. As of the dates of District Office inspections conducted on June 10, 2013; August 8, 2013; and September 4, 2013, for the Bateman (Austin Chalk) Unit, Bateman (Austin Chalk) Field, Foyoro failed to remove and dispose of contaminated soil, to a facility authorized to accept such waste or to have the contaminated soil tested as required and in violation of 16 Tex. Admin. Code §3.91.
8. As of the dates of District Office inspections conducted on June 10, 2013; August 8, 2013; and September 4, 2013, for the Bateman (Austin Chalk) Unit, Bateman (Austin Chalk) Field, it was observed and documented the wiring supplying power to Well No. 407 was exposed on the ground, in violation of 16 Tex. Admin. Code §3.21.
9. The Foyoro has not demonstrated good faith because it failed to plug or otherwise place the subject wells in compliance after being notified of the violations by the District Office and because it failed to appear at the hearing to explain its inaction.

### CONCLUSIONS OF LAW

1. Proper notice was issued by the Railroad Commission to Foyoro 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. Foyoro is in violation of Commission Statewide Rules 3, 8, 21 and 91.
4. Foyoro is responsible for maintaining the subject lease in compliance with all applicable Commission rules and for properly operating and maintaining the subject lease and wells according to Statewide Rules 3, 8, 21, and 91, and Chapters 89 and 91, Texas Natural Resources Code.
5. The documented violations committed by the Foyoro constitute a hazard to the health and safety of the public and Foyoro's conduct demonstrates a lack of good faith pursuant to TEX. NAT. RES. CODE ANN. §81.0531.
6. The Foyoro's P-4 Certificate of Compliance should be cancelled, and all related pipeline or other carrier connections severed. 16 Tex. Admin. Code §3.15 (g)(4) and Tex. Nat. Res. Code §§ 89.022(f), 91.704-91.706.

7. Pursuant to the Commission's Statewide Rule 1 and Texas Natural Resources Code §91.142(f), the leases of Foyoro in District 1 should be severed unless and until it files and obtains Commission approval of a Form P-4 Certificate of Compliance and is compliant with all Commission rules.

**It is further ORDERED** that all P-4 Certificates of Compliance issued to Foyoro Energy, Inc., as operator of record are hereby **CANCELLED** and all related pipeline or other carrier connections are hereby **SEVERED**.

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.

Done this 12<sup>th</sup> day of August, 2014.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
Hearings Divisions' Unprotested Master Order  
dated August 12, 2014)**