

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 06-0288352**

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**THE ENFORCEMENT ACTION AGAINST BOBCAT RESOURCES, L.L.C. (OPERATOR NO. 077693) FOR VIOLATIONS OF STATEWIDE RULES ON THE MARY JANE HANCOCK LEASE, WELL NO. 1 (RRC LEASE NO. 257161), SAND HILL (COTTON VALLEY SAND) FIELD, UPSHUR COUNTY; AND THE MOON UNIT LEASE, WELL NO. 1 (RRC LEASE NO. 255192), SAND HILL (COTTON VALLEY SAND) FIELD, UPSHUR 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 May 28, 2015, and that the Respondent, Bobcat Resources, L.L.C. (Operator No. 077693), failed to appear or respond to the Notice of Opportunity for 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. Bobcat Resources, L.L.C. (Operator No. 077693), ("Respondent"), was given Notice of Opportunity for Hearing by certified mail, addressed to the most recent Form P-5 (Organization Report) address.
2. The certified envelope containing the Original Complaint and the Notice of Opportunity for Hearing, was signed for on April 6, 2015. The electronic receipt is included in the file and has been on file with the Commission for 15 days, exclusive of the day of receipt and day of issuance.
3. On January 8, 2013, Respondent, a Limited Liability Company, filed an Organization Report (Form P-5) with the Commission reporting that its officers consisted of the following individual(s): Charla Rolph, Resident Agent, and Bob J. Cipple, Jr, Manager.
4. Bob J. Cipple, Jr., was 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.1 on the Mary Jane Hancock Lease (RRC Lease No. 257161) ("subject lease") by filing a P-4 Form (Producers Transportation Authority and Certificate of Compliance) effective on July 20, 2010.
7. Respondent designated itself to the Commission as the Operator of Well No. 1 on the Moon Unit Lease (RRC Lease No. 255192) ("subject lease") by filing a P-4 Form (Producers Transportation Authority and Certificate of Compliance) effective on December 30, 2009.
8. Respondent's P-5 (Organization Report) became delinquent on September 1, 2012. Respondent

had a \$25,000 Letter of Credit as its financial assurance at the time of its last P-5 renewal.

9. Production from Well No. 1 of the Mary Jane Hancock Lease (RRC Lease No. 257161) ceased on or before November 2011.
10. Production on Well No. 1 of the Moon Unit Lease (RRC Lease No. 255192) ceased on or before March 2011.
11. The Statewide Rule 14(b)(2) plugging extension for Well No. 1 on the Mary Jane Hancock Lease (257161) was denied on August 30, 2012 for a non-active P-5.
12. The Statewide Rule 14(b)(2) plugging extension for Well No. 1 on the Moon Unit Lease (255192) was denied on August 30, 2012 for a non-active P-5.
13. The Mary Jane Hancock Lease and Moon Unit Lease Wells have not been properly plugged in accordance with, and are not otherwise in compliance with, Statewide Rule 14.
14. 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.
15. The total estimated cost to the State for plugging Well No. 1 on Mary Jane Hancock Lease is \$83,000.00; and for the Moon Lease (RRC Lease No. 255192) , Well No. 1 is \$85,000.00
16. Commission District inspections were conducted between March 28, 2014, and June 25, 2014, on the Moon Unit Lease (RRC Lease No. 255192) Well No. 1. The Bradenhead valve for this well was not above ground and therefore could not be monitored.
17. Commission District inspections were conducted between March 28, 2014, and June 25, 2014, on the Moon Unit Lease (RRC Lease No. 255192) Well No. 1, showed a volume of vegetation around the tank battery. This volume of debris or rubbish constitutes as a potential fire hazzard, violating Statewide Rule 21(I).
18. Respondent has no prior history of violations of the Commission rules.

**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), 17(a), & 21(i).
4. Respondent is responsible for maintaining the subject well in compliance with Statewide Rule 17(a), which requires that all wells shall be equipped with a Bradenhead.

5. Respondent is responsible for maintaining the the Mary Jane Hancock Lease (RRC Lease No. 257161), Well No. 1, and the Moon Unit Lease (RRC Lease No. 255192), Well No. 1, with Statewide Rule 21(i), which requires that firewalls must be erected and kept around all permanent oil tanks, or battery of tanks, that are within the corporate limits of any city.
6. Respondent is responsible for maintaining the subject leases 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.
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.
8. 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, Bob J. Cipele, Jr., 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.

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

1. Bobcat Resources, L.L.C. (Operator No. 077693), shall plug the Mary Jane Hancock Lease (RRC Lease No. 257161), Well No. 1, Sand Hill (Cotton Valley Sand) Field, Upshur County, Texas in compliance with applicable Commission rules and regulations; and
2. Bobcat Resources, L.L.C. (Operator No. 077693), shall plug the Moon Unit Lease (RRC Lease No. 255192), Well No. 1, Sand Hill (Cotton Valley Sand) Field, Upshur County, Texas in compliance with applicable Commission rules and regulations;
3. Bobcat Resources, L.L.C. (Operator No. 077693), shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **TWENTY-TWO THOUSAND THREE HUNDRED NINETY-NINE DOLLARS (\$22,399.00)**.

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 25th day of August 2015.

**RAILROAD COMMISSION OF TEXAS**

**(Signatures affixed by Default Master Order  
dated August 25, 2015)**

LMV/rnf