

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 03-0297756

ENFORCEMENT ACTION AGAINST LAWTON C. JACKSON, JR. (OP. NO. 429266) FOR VIOLATIONS OF STATEWIDE RULES ON THE L C J (21185) LEASE, WELL NO. 1, HUMBLE FIELD, HARRIS COUNTY, TEXAS

FINAL ORDER

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the examiner on October 29, 2015 and that the respondent, Lawton C. Jackson, Jr. (Op. No. 429266), 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. Lawton C. Jackson, Jr. (Op. No. 429266) ("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 returned marked "unclaimed" on October 7, 2015. The certified envelope 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 October 11, 2012, Respondent, a Corporation, filed an Organization Report (Form P-5) with the Commission reporting that its officers consisted of the following individual: Lawton C. Jackson, Jr.
4. Lawton C. Jackson, 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 the L C J (21185) Lease, Well No. 1, by filing a Commission Form Application for Permit to Drill, Recomplete or Re-Enter, received September 21, 1984, issued October 16, 1984.
7. Respondent's P-5 (Organization Report) is currently delinquent. Respondent's P-5 became delinquent on November 1, 2013. Respondent had a \$2,248.00 cash deposit as its financial assurance at the time it became delinquent.
8. Commission District inspection reports made on May 13, 2014, and the absence of production reports filed by the Respondent with the Commission (as required under Statewide Rul 58) since January 2000, showed the L C J (21185) Lease, Well No. 1 has been inactive for a period greater

than one year. Production from the subject well ceased on or before July 29, 2014.

9. The subject well does not have a plugging extension.
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 probability of pollution.
11. The total estimated cost to the State for plugging the L C J (21185) Lease, Well No. 1 is \$10,195.00.
12. The subject well has had no reported production in over 4 calendar years.
13. A Commission District inspection report made on July 29, 2014 for the L C J (21185) Lease indicated an area 5 feet by 4 feet of free standing oil between the tanks.
14. No permit was issued to Respondent for the discharge of oil and gas wastes on or from the subject lease.
15. 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 on the soils can migrate into surface water bodies causing contamination and can leach into the ground and percolate through soils into groundwater supplies.
16. A Commission District Inspection report for the L C J (21185) Lease, Well No. 1, dated July 29, 2014 states that an unmarked chemical drum was observed on the lease.
17. The Respondent has not demonstrated good faith since it failed to place the subject lease in compliance after being notified of the violation by the District Office and failed to appear at the hearing to explain its inaction.
18. Respondent has no prior history of violations of Commission rules.

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 responsible for maintaining the subject lease in compliance with all applicable Commission rules and for properly plugging the subject well according to Statewide Rules 14, 58, and 79 and Chapters 89 and 91, Texas Natural Resources Code.
4. The documented violations committed by the respondent constitute acts deemed serious, and a hazard to the public health, and demonstrate a lack of good faith pursuant to TEX. NAT. RES.

CODE ANN. §81.0531(c) (Vernon 1993).

5. Respondent is in violation of Statewide Rules 14(b)(2), 8(d)(1) and 98(f)(4)(B)(iii).
6. Respondent is responsible for maintaining the subject lease in compliance with Statewide Rule 14(b)(2), which requires that plugging operations on each dry or inactive well shall be commenced within a period of one year after drilling or operations cease and shall proceed with due diligence until completed.
7. Respondent is responsible maintaining the subject lease in compliance with Rule 8(d)(1), which prohibits the discharge of oil and gas wastes without a permit.
8. Respondent is responsible for maintaining the subject lease in compliance with Statewide Rule 98 (f)(4)(B)(iii), which requires that all hazardous gas waste subject to the exemption in 98(f)(4)(A) must be accumulated in containers that are marked with the words “Hazardous Waste” or other words that identify the contents of the containers.
9. As a person in a position of ownership or control of respondent at the time respondent violated Commission rule related to safety and the control of pollution, Lawton C. Jackson, Jr., and any other organization in which he, may hold a position of ownership or control, shall be subject to the restriction of Texas Natural Resources 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 sooner, if 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.

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

1. Lawton C. Jackson, Jr. (Op. No. 429266), shall plug or otherwise place the L C J (21185) Lease, Well No. 1, Humble Field, Harris County, Texas in compliance with applicable Commission rules and regulations; and
2. Lawton C. Jackson, Jr. (Op. No. 429266), shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **FIVE THOUSAND, SIX HUNDRED THIRTY-FOUR DOLLARS (\$5,634.00.)**

It is further **ORDERED** by the Commission that this order shall not be final and effective until 25 days after a party is notified of the Commission’s order. If a timely motion for rehearing of an application 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 this order in accordance with Tex. Gov’t Code §2001.144.

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 3rd day of February, 2016.

LMV/rnf

**RAILROAD COMMISSION OF TEXAS
(Signatures affixed by Default Master Order
dated February 3, 2016)**