

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 09-0297319**

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**ENFORCEMENT ACTION AGAINST SAINT JO LONG SHOT, LLC (OP. NO. 743590) FOR VIOLATIONS OF STATEWIDE RULES ON THE JANA KAY (30518) LEASE, WELL NO. 1, NEWARK, EAST (BARNETT SHALE) FIELD, MONTAGUE 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 October 29, 2015 and that the respondent, Saint Jo Long Shot, LLC (Op. No. 743590), 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. Saint Jo Long Shot, LLC (Op. No. 743590), (“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 to the Commission marked “unclaimed” on October 6, 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 July 12, 2013, Respondent, a Corporation, filed an Organization Report (Form P-5) with the Commission reporting that its officers consisted of the following individual(s): Charles Adrian Horton, Manager.
4. Charles Adrian Horton, 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 Jana Kay (30518) Lease, Well No. 1, by filing a Commission Form P-4 (Certificate of Compliance and Transportation Authority, effective December 15, 2009, approved January 4, 2010.
7. Respondent’s P-5 (Organization Report) is currently inactive. Respondent’s P-5 became inactive on April 30, 2015. Respondent had a \$25,000 letter of credit as its financial assurance at the time it became inactive.

8. A District Office inspection conducted on August 12, 2015 for the Jana Kay (30518) Lease indicated Respondent was using and maintaining an unauthorized skimming pit with dimensions of 40 feet by 60 feet by 6 feet. According to Commission report, the pit contains produced fluids including salt water and oil. Commission District Inspection reports dated January 29, 2015, March 20, 2015, April 6, 2015, April 27, 2015, and May 19, 2015 state that the pit is full of liquid or produced water and oil.
9. Respondent did not have a permit to dispose of or store oilfield fluids or oil and gas wastes in a pit on the subject lease.
10. 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.
11. 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 8 (d)(2).
6. Respondent is responsible for maintaining the subject lease in compliance with Rule 8 (d)(2), which prohibits a person from maintaining or using any pit for storage of oilfield fluids without a permit.
7. 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, both Charles Adrian Horton and any other organization in which they, 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. Saint Jo Long Shot, LLC (Op. No. 743590), shall place the Jana Kay (30518) Lease, Well No. 1, Newark, East (Barnett Shale) Field, Montague, Texas in compliance with applicable Commission rules and regulations; and
2. Saint Jo Long Shot, LLC (Op. No. 743590), shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **SIXTEEN THOUSAND, NINE HUNDRED DOLLARS (\$16,900.00)**.

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 3<sup>rd</sup> day of February 2016.

LMV/rmf

**RAILROAD COMMISSION OF TEXAS**

**(Signatures affixed by Default Master Order  
dated February 3, 2016)**