

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 04-0280298

**ENFORCEMENT ACTION AGAINST WEEKLEY ENERGY GROUP, LLC
(OPERATOR NO. 905022) FOR VIOLATIONS OF STATEWIDE RULES ON THE
ZAMORA, JONNELL LEASE, WELL NO. 1R (DRILLING PERMIT NO. 636336),
WILDCAT FIELD, ZAPATA COUNTY, TEXAS**

FINAL ORDER

The Railroad Commission of Texas (“Commission”) finds that after statutory notice the captioned enforcement proceeding was heard by a Commission Administrative Law Judge on January 7, 2016 and that the respondent, Weekley Energy Group, LLC, 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, 16 TEX. ADMIN. CODE § 1.49, and after being duly submitted to the Commission at a conference held in its offices in Austin, Texas, the Commission makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

1. Weekley Energy Group, LLC (Operator No. 905022), (“Respondent”), was sent the Original Complaint and Notice of Opportunity for Hearing by certified and first class mail, addressed to the most recent Form P-5 (Organization Report) address. Glenn T. Andrews, President of Respondent, was sent the Original Complaint and Notice of Opportunity for Hearing by certified and first class mail, addressed to his last known address. William B. Weekley, Chairman of Respondent, was sent the Original Complaint and Notice of Opportunity for Hearing by certified and first class mail, addressed to his last known address.
2. The certified mail containing the Original Complaint and Notice of Opportunity for Hearing was received by the Respondent on October 27, 2015. The certified mail to Glenn T. Andrews and William B. Weekley were returned to the Commission unopened on November 5, 2015. The first class mail was not returned. Record of the delivery and return of certified mail has been on record with the Commission for more than 15 days, exclusive of the day of receipt and day of issuance. Respondent was given more than 30 days’ notice of the Original Complaint and Notice of Opportunity for Hearing. Respondent has not entered into an agreed settlement order, filed an answer, or requested a hearing.
3. On September 10, 2008, Respondent, a limited liability company, filed an Organization Report (Form P-5) with the Commission reporting that its officers consisted of the

following individuals: Glenn T. Andrews, President; and William B. Weekley, Chairman.

4. Glenn T. Andrews 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. William B. Weekley 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.
6. Respondent's P-5 (Organization Report) is inactive. Respondent has a \$25,000 cash deposit as its financial assurance.
7. The violations of Commission rules committed by Respondent are related to safety and the control of pollution.
8. Respondent designated itself as the operator of the Zamora, Jonnell Lease, Well No. 1R (Drilling Permit No. 636336), by filing a Commission Form P-4 (Certificate of Compliance and Transportation Authority), filed April 17, 2007.
9. Commission inspection reports made on July 21, 2011, and June 16, 2015, for the Zamora, Jonnell Lease, show that the sign or identification required to be posted at Well No. 1R (Drilling Permit No. 636336) was missing.
10. Commission inspection reports made on July 21, 2011, and June 16, 2015, for the Zamora, Jonnell Lease, show that the sign or identification required to be posted at the lease entrance was missing.
11. Failure to properly identify a well by the posting of the signs required by Statewide Rules 3(1) and 3(2) has the potential for causing confusion and delay in remedying a violation or emergency and poses a threat to the public health and safety.
12. Commission inspection reports made on July 21, 2011, and June 16, 2015, and the absence of production reports filed by Respondent with the Commission since re-entering the well some time prior to July 21, 2011, show the Zamora, Jonnell Lease, Well No. 1R (Drilling Permit No. 636336) has been inactive for a period greater than one year. Production from the subject well ceased prior to July 2011.
13. No work-overs, re-entries, or subsequent operations have taken place on the subject well within the last twelve months; the subject well has not been properly plugged in accordance with Statewide Rule 14, 16 TEX. ADMIN. CODE § 3.14; and no plugging extension is in effect for the subject well as allowed by Statewide Rule 14. The subject well is not otherwise in compliance with Statewide Rule 14.

14. Usable quality groundwater in the area may become contaminated by migrations or discharges of saltwater and other oil and gas wastes from the subject wells. Unplugged wellbores, in violation of Statewide Rules 14(b)(2), constitute a cognizable threat to the public health and safety because of the potential of pollution.
15. The total estimated cost to the State for plugging the Zamora, Jonnell Lease, Well No. 1R (Drilling Permit No. 636336) is \$44,038.00.
16. Commission inspection reports made on July 21, 2011, and June 16, 2015, for the Zamora, Jonnell Lease show that Well No. 1R (Drilling Permit No. 636336) was re-entered prior to July 21, 2011, but Respondent has not filed the required completion report.
17. Should a well need to be re-entered for any reason, the wellbore documentation provided in those reports as set forth in Statewide Rule 16(b) is necessary to safely and efficiently carry out the replugging, recompletion, reworking, or other action.
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 chapters 89 and 91 of the Texas Natural Resources Code.
4. Respondent is in violation of Statewide Rules 3(1), 3(2), 14(b)(2), and 16(b). 16 TEX. ADMIN. CODE §§ 3.3(1), 3.3(2), 14(b)(2) and 3.16(b).
5. The documented violations committed by 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 § 81.0531(c).
6. Respondent is responsible for maintaining the subject leases in compliance with Statewide Rule 3(1) which requires that for each property that produces oil, gas or geothermal resources and each oil, gas or geothermal resource well and tank, or other approved crude oil measuring facility, a sign shall be posted at the principal entrance which shall show the name by which the property is carried on the records of the Commission, the name of the operator, and the number of acres in the property.

7. Respondent is responsible for maintaining the subject lease in compliance with Statewide Rule 3(2), which requires that each well site that produces oil, gas, or geothermal resources shall post signs or identification.
8. Respondent is responsible for maintaining the subject leases 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.
9. Respondent is responsible for maintaining the subject lease in compliance with Statewide Rule 16(b), which requires completion reports to be filed.
10. Pursuant to TEX. NAT. RES. CODE § 81.0531, the Commission may assess administrative penalties against Respondent for the subject violations of up to \$10,000 per day for each violation, with each day such violations continued constituting a separate violation.
11. An assessed administrative penalty in the amount of FOURTEEN THOUSAND FIVE HUNDRED DOLLARS (\$14,500.00) is justified considering the facts and violations at issue.
12. As persons in a position of ownership or control of Respondent at the time Respondent violated Commission rules related to safety and the control of pollution, Glenn T. Andrews and William B. Weekley, and any other organization in which either or both may hold a position of ownership or control, are subject to the restriction of Texas Natural Resources Code Section 91.114(a)(2).

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

1. Weekley Energy Group, LLC (Operator No. 905022) shall place the Zamora, Jonnell Lease and Well No. 1R (Drilling Permit No. 636336) in compliance with Statewide Rules 3(1), 3(2), 14(b)(2), and 16(b), and any other applicable Commission rules or statutes.
2. Weekley Energy Group, LLC (Operator No. 905022) shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **FOURTEEN THOUSAND FIVE HUNDRED DOLLARS (\$14,500.00)**.

It is further **ORDERED** that as persons in a position of ownership or control of Respondent at the time Respondent violated Commission rules related to safety and the control of pollution, Glenn T. Andrews and William B. Weekley, and any other organization in which either or both may hold a position of ownership or control, shall be subject to the restriction in section 91.114(a)(2) of the Texas Natural Resources Code 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.

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. A party is presumed to have been notified of the Commission's order three days after the date 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 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 21st day of June, 2016.

RAILROAD COMMISSION OF TEXAS

(Signatures affixed by Default Master Order
dated June 21, 2016)

JNC/rnf