

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 06-0281723

ENFORCEMENT ACTION AGAINST JEFF A. MOORE, SOLE PROPRIETOR OF T. AND M. PRODUCTION (OPERATOR NO. 833773) FOR VIOLATIONS OF STATEWIDE RULES ON THE FURRH (02366) LEASE, WELL NOS. 4, 5, AND 6, LONGWOOD (GOODLAND LIME) FIELD, HARRISON COUNTY; AND PLATT, ET AL (10573) LEASE, WELL NOS. 1 AND 2, LONGWOOD (GOODLAND LIME) FIELD, HARRISON 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 July 2, 2015 and that respondent, Jeff A. Moore, sole proprietor of T. and M. Production, 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. Jeff A. Moore, sole proprietor of T. and M. Production (Operator No. 833773), ("Respondent"), was sent the Original Complaint and Notice of Opportunity for Hearing by certified and first class mail, addressed to the most recent Commission Form P-5 (Organization Report) address.
2. The certified mail envelope containing the Original Complaint and Notice of Opportunity for Hearing was received by Respondent on May 5, 2015. The first class mail was not returned. Record of the delivery 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 June 10, 2010, Respondent, a sole proprietorship, filed a Form P-5 (Organization Report) with the Commission reporting that its officers consisted of the following individual: Jeff A. Moore, Sole Proprietor.
4. Jeff A. Moore was in a position of ownership or control of Respondent, as defined in section 91.114 of the Texas Natural Resources Code, during the time period of the

violations of Commission rules committed by Respondent.

5. Respondent's P-5 (Organization Report) is currently delinquent. Respondent had a \$50,000 letter of credit as its financial assurance at the time of its last P-5 annual renewal submittal.
6. The violations of Commission rules committed by Respondent are related to safety and the control of pollution.
7. Respondent designated itself to the Commission as the operator of the Furrh (02366) Lease, Well Nos. 4, 5, and 6, Longwood (Goodland Lime) Field, Harrison County by filing a Commission Form P-4 (Certificate of Compliance and Transportation Authority), effective June 1, 1984, approved August 23, 1984. Respondent designated itself as the operator of Platt, et al (10573) Lease, Well Nos. 1 and 2, Longwood (Goodland Lime) Field, Harrison County by filing a Commission Form P-4 (Certificate of Compliance and Transportation Authority), effective June 1, 1984, approved July 10, 1984.
8. Commission inspection reports made on June 24, 2011, July 26, 2011, and May 15, 2012, and either reports filed by Respondent with the Commission reflecting zero production, or the absence of production reports filed by the Respondent with the Commission since December 2003, show that the Furrh (02366) Lease, Well Nos. 4, 5, and 6 have been inactive for a period greater than one year. Production from the subject wells ceased on or before November 2003.
9. Commission inspection reports made on January 6, 2011, January 25, 2011, February 8, 2011, February 25, 2011, April 1, 2011, March 5, 2012, and May 22, 2012, and either reports filed by Respondent with the Commission reflecting zero production or injection, or the absence of production or injection reports filed by the Respondent with the Commission since September 2006, show that the Platt, et al (10573) Lease, Well Nos. 1 and 2 have been inactive for a period greater than one year. Production from and injection at the subject wells ceased on or before August 2006.
10. No work-overs, re-entries, or subsequent operations have taken place on any of the subject wells within the last twelve months; none of the subject wells have been properly plugged in accordance with Statewide Rule 14, 16 TEX. ADMIN. CODE § 3.14; and no plugging extensions are in effect for any of the subject wells as allowed by Statewide Rule 14. The subject wells are not otherwise in compliance with Statewide Rule 14.
11. 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 Rule 14(b)(2), constitute a cognizable threat to the public health and safety because of the potential of pollution.

12. The total estimated cost to the State for plugging the Furrh (02366) Lease, Well Nos. 4, 5, and 6 is \$53,400.00; and for the Platt, et al (10573) Lease, Well Nos. 1 and 2 is \$35,600.00.
13. Commission records indicate no Form H-15 (Test on an Inactive Well More Than 25 Years Old) has been filed and approved for the Platt, et al (10573) Lease, Well No. 1. Commission records further show that the Platt, et al (10573) Lease, Well No. 1 was completed on October 31, 1981, that an H-15 test was due in April 2011, and that the well has not been plugged.
14. Wells over twenty-five years old which are not in compliance with Statewide Rule 14(b)(3) may develop holes or leaks in the casing, allowing oil or saltwater to communicate with usable quality water zones or to flow to the surface.
15. Commission inspection reports made on June 24, 2011, July 26, 2011, and May 15, 2012, on the Furrh (02366) Lease show that trees and vegetation were overgrown within the tank battery firewall.
16. Failure to remove trees and vegetation from within the firewall as set forth in Statewide Rules 21(i) creates a fire hazard.
17. Respondent has been previously cited with violations of Commission rules as set forth in Commission Oil & Gas Docket Nos. 06-0276747 and 06-0278187.

CONCLUSIONS OF LAW

1. Proper notice was issued by the 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 have been performed or have occurred.
3. Respondent is responsible for maintaining the subject leases 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 14(b)(2), 14(b)(3), and 21(i). 16 TEX. ADMIN. CODE §§ 3.14(b)(2) and (b)(3) and 21(i).
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 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 for maintaining the subject leases in compliance with Statewide Rule 14(b)(3), which requires the operator of any well more than 25 years old that becomes inactive to plug the well or successfully conduct a fluid level or hydraulic pressure test establishing that the well does not pose a potential threat of harm to natural resources, including surface and subsurface water, oil and gas.
8. Respondent is responsible for maintaining the subject leases in compliance with Statewide Rule 21(i), which requires that any rubbish or debris that might constitute a fire hazard shall be removed to a distance of at least 150 feet from the vicinity of any well, tank, or pump station. All waste shall be burned or disposed of in such manner as to avoid creating a fire hazard.
9. 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.
10. An assessed administrative penalty in the amount of TWENTY-SIX THOUSAND THREE HUNDRED THREE DOLLARS (\$26,303.00) is justified considering the facts and violations at issue.
11. As a person in a position of ownership or control of Jeff A. Moore, sole proprietor of T. and M. Production at the time Jeff A. Moore, sole proprietor of T. and M. Production violated Commission rules related to safety and the control of pollution, Jeff A. Moore, and any other organization in which he may hold a position of ownership or control, is subject to the restriction in section 91.114(a)(2) of the Texas Natural Resources Code.

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

1. Jeff A. Moore, sole proprietor of T. and M. Production (Operator No. 833773), shall place the Furrh (02366) Lease, Well Nos. 4, 5, and 6, Longwood (Goodland Lime) Field, Harrison County, Texas in compliance with Statewide Rules 14(b)(2), 14(b)(3), and 21(i), and any other applicable Commission rules and regulations.
2. Jeff A. Moore, sole proprietor of T. and M. Production (Operator No. 833773), shall place the Platt, et al (10573) Lease, Well Nos. 1 and 2, Longwood (Goodland Lime) Field, Harrison County, Texas in compliance with Statewide Rules 14(b)(2), 14(b)(3), and 21(i), and any other applicable Commission rules and regulations.

- 3 Jeff A. Moore, sole proprietor of T. and M. Production (Operator No. 833773), shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **TWENTY-SIX THOUSAND THREE HUNDRED THREE DOLLARS (\$26,303.00)**.

It is further **ORDERED** that as a person in a position of ownership or control of Jeff A. Moore, sole proprietor of T. and M. Production at the time Jeff A. Moore, sole proprietor of T. and M. Production violated Commission rules related to safety and the control of pollution, Jeff A. Moore, and any other organization in which he may hold a position of ownership or control, shall be subject to the restriction of 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