

RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL AND GAS DOCKET NO. 02-0300234

COMMISSION-CALLED HEARING TO PROVIDE POLK OPERATING, LLC (OPERATOR NO. 669326) AN OPPORTUNITY TO SHOW CAUSE WHY THE OPERATOR IS NOT IN VIOLATION OF STATEWIDE RULE 8(D)(1), STATEWIDE RULE 8(D)(6), AND STATEWIDE RULE 91, FOR ITS POLK KARNES R3 FACILITY, STF-042, P011769-P011773, LOCATED IN KARNES COUNTY, TEXAS; AND TO DETERMINE WHETHER ADMINISTRATIVE PENALTIES SHOULD BE ASSESSED FOR SAID VIOLATIONS, IF ANY

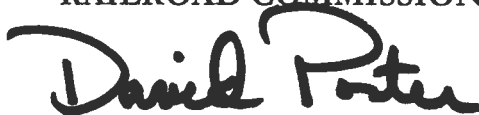
ORDER GRANTING EVERGREEN UNDERGROUND WATER CONSERVATION DISTRICT'S APPEAL OF THE ORDER ON EVERGREEN'S MOTION TO COMPEL POLK OPERATING, LLC TO ALLOW EVERGREEN UWCD TO ENTER AND INSPECT REAL PROPERTY

The Commission has considered on its merits Evergreen Underground Water Conservation District's ("Evergreen") Appeal of the Order on Evergreen's Motion to Compel Polk Operating, LLC ("Polk") to Allow Evergreen UWCD to Enter and Inspect Real Property ("Appeal") filed by Evergreen on October 31, 2016.

The Appeal is hereby **GRANTED**. It is therefore **ORDERED** that Polk be compelled to comply with the Amended Order on Intervenor, Evergreen Underground Water Conservation District's Request to Enter and Inspect Real Property.

ENTERED in Austin, Texas on this 15th day of November, 2016.

RAILROAD COMMISSION OF TEXAS



CHAIRMAN DAVID PORTER



COMMISSIONER CHRISTI CRADDICK



COMMISSIONER RYAN SITTON

ATTEST



SECRETARY

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ORDER GRANTING POLK OPERATING, LLC'S APPEAL OF THE ORDER ON INTERVENOR, EVERGREEN UNDERGROUND WATER CONSERVATION DISTRICT'S MOTION TO OVERRULE OBJECTIONS, ENTER CONFIDENTIALITY ORDER, AND COMPEL RESPONSES TO INTERROGATORIES AND PRODUCTION OF DOCUMENTS, AS IT RELATES TO POLK OPERATING LLC'S TRADE SECRET OBJECTIONS (INCLUSIVE OF A PROTECTIVE ORDER).

The Commission has considered on its merits Polk Operating, LLC's ("Polk") Appeal of the Order on Intervenor, Evergreen Underground Water Conservation District's Motion to Overrule Objections, Enter Confidentiality Order, and Compel Responses to Interrogatories and Production of Documents, as it Relates to Polk Operating LLC's Trade Secret Objections (inclusive of a Protective Order) filed by Polk on November 1, 2016 ("Appeal"). The Appeal is hereby **GRANTED**.

It is therefore **ORDERED** that the Administrative Law Judge shall amend and supplement the Protective Order as follows:

1. Amend Protective Order Paragraph 7(c); "independent experts or consultants (together with their staff and others hired by the experts or consultants for purposes of this docket) retained by counsel in this docket who, prior to any disclosure of Classified Information to such person, have signed a document agreeing to be bound by the terms of this Protective Order (such signed document to be maintained by the attorney retaining such person) and have been designated in writing by notice to all counsel;"
2. Supplement Protective Order with the addition of Paragraph 13; "Each party's counsel shall maintain a log of all copies of For Counsel Only documents that are delivered to Qualified Persons."
3. Supplement Protective Order with the addition of Paragraph 14; "Any party designating any person as a Qualified Person shall have the duty to reasonably ensure that such person observes the terms of this Protective Order and shall be responsible upon breach of such duty for the failure of such person to observe the terms of this Protective Order."

It is further **ORDERED** that the Administrative Law Judge shall reissue the amended and supplemented Protective Order.

ENTERED in Austin, Texas on this 15th day of November, 2016.

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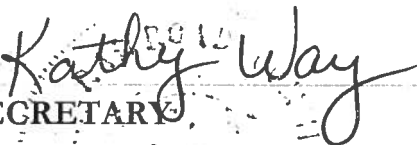


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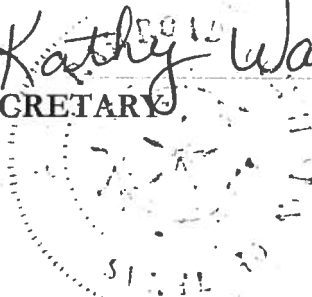


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ORDER DENYING POLK OPERATING, LLC'S APPEAL OF THE ORDER ON INTERVENOR, EVERGREEN UNDERGROUND WATER CONSERVATION DISTRICT'S MOTION TO OVERRULE OBJECTIONS, ENTER CONFIDENTIALITY ORDER, AND COMPEL RESPONSES TO INTERROGATORIES AND PRODUCTION OF DOCUMENTS, AS IT RELATES TO POLK OPERATING LLC'S RELEVANCE AND VAGUE, AMBIGUOUS AND OVERLY BROAD OBJECTIONS

The Commission has considered on its merits Polk Operating, LLC's ("Polk") Appeal of the Order on Intervenor, Evergreen Underground Water Conservation District's Motion to Overrule Objections, Enter Confidentiality Order, and Compel Responses to Interrogatories and Production of Documents, as it Relates to Polk Operating LLC's Relevance and Vague, Ambiguous and Overly Broad Objections ("Appeal") filed by Polk on November 1, 2016.

The Appeal is hereby **DENIED**.

ENTERED in Austin, Texas on this 15th day of November, 2016.

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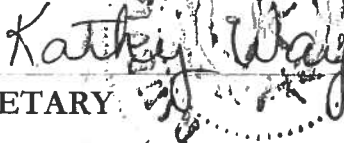


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ORDER GRANTING IN PART AND DENYING IN PART POLK OPERATING, LLC'S
APPEAL OF THE ORDER ON INTERVENOR, EVERGREEN UNDERGROUND WATER
CONSERVATION DISTRICT'S REQUEST TO ENTER AND INSPECT REAL PROPERTY

The Commission has considered on its merits Polk Operating, LLC's ("Polk") Appeal of the Order on Intervenor, Evergreen Underground Water Conservation District's Request to Enter and Inspect Real Property filed by Polk on November 1, 2016 ("Appeal"). The Appeal is hereby **GRANTED** to the extent that the Order on Intervenor, Evergreen Underground Water Conservation District's Request to Enter and Inspect Real Property ("Order") does not comply with TEX. R. CIV. P. 196.7(b). The Appeal is otherwise **DENIED** in all other respects.

It is therefore **ORDERED** that the Administrative Law Judge shall amend the Order to specifically describe the person or persons by whom the inspection is to be made, and to issue the amended Order.

ENTERED in Austin, Texas on this 15th day of November, 2016.

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