

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 7B-0301111**

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**ENFORCEMENT ACTION AGAINST REDMON OIL COMPANY, INC., THE (OPERATOR NO. 697051) FOR VIOLATION OF A STATEWIDE RULE ON THE BARKER (DRILLING PERMIT NO. 804798) LEASE, WELL NO. 1, WILDCAT FIELD, TAYLOR COUNTY, TEXAS**

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**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 April 6, 2017, and that the respondent, Redmon Oil Company, Inc., The, 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. Redmon Oil Company, Inc., The ("Respondent"), Operator No. 697051, 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) ("Form P-5") address: Redmon Oil Company, Inc., The, 3315 Silverstone Drive Suite A, Plano TX 75023. Respondent's officer as identified on the Form P-5—Jones, William T, President, CEO, Secretary, and Treasurer—was sent the Original Complaint and Notice of Opportunity for Hearing by certified and first-class mail, addressed to their last known address: Jones, William T, President, CEO, Secretary, and Treasurer, 751 Creekwood Drive North, McKinney TX 75069.
2. The certified mail envelope containing the Original Complaint and Notice of Opportunity for Hearing addressed to the Respondent and William T. Jones were not returned to the Commission. The first-class mail envelope addressed to Jones, William T was returned to the Commission on December 29, 2016. The first-class mail envelope addressed to Respondent was not returned. Record of the delivery and return of certified mail has been on file 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. Respondent filed its first Form P-5 with the Commission in 2004. On January 4, 2017, Respondent, a Corporation, filed a Form P-5 with the Commission reporting that its officer consists of the following individual: Jones, William T.

4. Jones, William T 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 Form P-5 is active. Respondent had a \$50,000.00 letter of credit as its financial assurance at the time of the last Form P-5 annual renewal submission.
6. A Commission District inspection report made on August 17, 2015 on the Barker (Drilling Permit No. 804798) Lease, Well No. 1, showed that the well has been plugged but no plugging report has been filed. Also, in the case of a dry hole, an electric log status report has not been filed with the Commission.
7. Unverified plugging of wellbores, in violation of Statewide Rule 14(b)(1), may result in the pollution of usable quality ground water and surface water because if wells are improperly plugged, they may serve as a conduit for the passage of oil, gas, saltwater, and other substances from one stratum or formation to another or to the surface or from surface downward.
8. Respondent's violation of Statewide Rule 14(b)(1) is serious and threatens the public health and safety. Unverified plugging of well bores may result in the pollution of usable quality ground water and surface water, as defined in Statewide Rule 8(a)(28) [Tex. R.R. Comm'n, 16 TEX. ADMIN. CODE § 3.8(A)(28)], because if wells are improperly plugged, they may serve as a conduit for the passage of oil, gas, saltwater, and other substances from one stratum or formation to another or to the surface or from surface downward.
9. The Respondent has no prior history of violations of Commission Rules.

#### 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 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 Rule 14(b)(1). 16 TEX. ADMIN. CODE § 3.14(b)(1).
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 lease in compliance with Statewide Rule 14(b)(1) which requires completing and filing in the district office, a duly verified plugging record, in duplicate, on the appropriate form within 30 days after plugging operations are completed. A cementing report made by the party cementing the well shall be attached to, or made a part of, the plugging report. If the well is a dry hole, an electric log status report shall be filed with the plugging report.
7. 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.
8. An assessed administrative penalty in the amount of **FIVE THOUSAND DOLLARS (\$5,000.00)** is justified considering the facts and violations at issue.
9. As a person in a position of ownership or control of Respondent at the time Respondent violated Commission rules related to safety and the control of pollution, Jones, William T, and any other organization in which this individual 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. Redmon Oil Company, Inc., The (Operator No. 697051) shall place the Barker (Drilling Permit No. 804798) Lease, Well No. 1 in compliance with Statewide Rule 14(b)(1), and any other applicable Commission rules and statutes.
2. Redmon Oil Company, Inc., The (Operator No. 697051) shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **FIVE THOUSAND DOLLARS (\$5,000.00)**.

It is further **ORDERED** that as a person in a position of ownership or control of Respondent at the time Respondent violated Commission rules related to safety and the control of pollution, Jones, William T, and any other organization in which this individual 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 the Commission's Order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). 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 Commission Order is signed.

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 25<sup>th</sup> day of April, 2017.

**RAILROAD COMMISSION OF TEXAS**

(Signatures affixed by Default Master  
Order dated April 25, 2017)

CJH/dac