

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 7B-0301564

ENFORCEMENT ACTION AGAINST CRUDE PRODUCTION COMPANY (OPERATOR NO. 191588) FOR VIOLATION OF STATEWIDE RULE ON THE WAGLEY, H.E. (00389) LEASE, CALLAHAN COUNTY REGULAR FIELD, CALLAHAN 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 April 13, 2017, and that the respondent, Crude Production Company, 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. Crude Production Company ("Respondent"), Operator No. 191588, 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: Crude Production Company, 10693 FM 604 South, Clyde TX 79510
2. The certified mail envelope containing the Original Complaint and Notice of Opportunity for Hearing addressed to the Respondent was returned to the Commission unopened on November 10, 2016. The first-class mail 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 1980. On February 12, 2004, Respondent, a Sole Proprietorship, filed a Form P-5 with the Commission reporting that its officer consists of the following individual: Bobby Glenn Fellers, Sole Proprietor.
4. Bobby Glenn Fellers 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 delinquent and has no financial assurance.

6. Respondent designated itself to the Commission as the operator of the Wagley, H.E. (00389) Lease, by filing a Commission Form P-4 (Certificate of Compliance and Transportation Authority), effective December 1, 1994, approved March 14, 1995.
7. Commission district inspection reports made on January 8, 2016 and July 27, 2016 for the Wagley, H.E. (00389) Lease show four tanks; on 210-bbl tank and three 200-bbl tanks, present at the tank battery. Commission records indicate that the last wells for this lease were plugged on October 17, 2008.
8. Failing to remove all tanks, vessels, related piping, loose junk and trash as set forth in Statewide Rule 14(d)(12) may cause pollution of surface and subsurface water.
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(d)(12). 16 TEX. ADMIN. CODE § 3.14(d)(12).
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 maintaining the subject lease in compliance with Statewide Rule 14(d)(2), which requires filling the rat hole, mouse hole, and cellar and emptying all tanks, vessels, related piping and flowlines that will not be actively used in continuing operation of the lease, within 120 days after plugging work is completed.
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 **TWO THOUSAND, FIVE HUNDRED DOLLARS (\$2,500.00)** 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, Bobby Glenn Fellers, 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. Crude Production Company (Operator No. 191588) shall place the Wagley, H.E. (00389) Lease, in compliance with Statewide Rule 14(d)(12), and any other applicable Commission rules and statutes.
2. Crude Production Company (Operator No. 191588) shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **TWO THOUSAND, FIVE HUNDRED DOLLARS (\$2,500.00)**.

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, Bobby Glenn Fellers, 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 10th day of May, 2017.

RAILROAD COMMISSION OF TEXAS

(Signatures affixed by Default Master
Order dated May 10, 2017)

CJH/dac