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RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 7B-0297022

**ENFORCEMENT ACTION AGAINST BENGAL PETROLEUM USA, LLC
(OPERATOR NO.064275) FOR VIOLATIONS OF STATEWIDE RULES ON THE J.P.
MORRIS LEASE, WELL NO. 121 (RRC PERMIT NO. 727432), WILDCAT FIELD,
SHACKELFORD COUNTY, TEXAS**

PROPOSAL FOR DECISION

HEARD BY: Jennifer Cook – Administrative Law Judge

PROCEDURAL HISTORY:

Notice of Hearing Date: March 14, 2017
Hearing Date: April 20, 2017
Proposal for Decision Issued: June 5, 2017

APPEARANCES:

For Commission Staff –

David Bell, Staff Attorney, Office of General Counsel – Enforcement
Petar Buva, Commission Engineering Specialist

For Bengal Operating, Inc. –

Roland R. Baker, Consultant

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I. Statement of the Case

This is an enforcement case alleging violations of Commission rules by Bengal Petroleum USA, LLC (“Bengal” or “Respondent”), Operator No. 064275, on the J.P. Morris Lease (RRC Permit No. 727432) (the “Lease”), Well No. 121, (the “Well”) in the Wildcat Field in Shackelford County.

Railroad Commission (“Commission” or “RRC’s”) staff (“Staff”) initiated this case claiming Bengal is responsible for violation of Statewide Rules 14(b)(2) and 14(b)(7). Staff alleges that the Well is in violation of Statewide Rule 14(b)(2) and 14(d)(7) for failing to properly plug the Well. Staff requests that the Commission assess a penalty in the amount of \$1,000.00 and order Respondent to place the Lease and Well in compliance with Commission rules. Staff provided evidence to demonstrate the violations.

Bengal does not dispute the Well was improperly plugged because an interval required to be plugged was missed. Bengal claims it is unable to correct the mistake because of undrillable material encountered when trying to replug the well. Staff has requested additional corrective measures. Bengal agreed to do the measures requested but acknowledges not having done them.

The Administrative Law Judge (“ALJ”) respectfully submits this Proposal for Decision (“PFD”) and recommends the Commission find that the violations of Statewide Rules have occurred as alleged, assess a penalty of \$1,000.00 against Bengal for the violations and order Bengal to place the Lease and Well in compliance with Commission rules and statutes.

II. Jurisdiction and Notice¹

Sections 81.051 and 81.052 of the Texas Natural Resources Code provide the Commission with jurisdiction over all persons owning or engaged in drilling or operating oil or gas wells in Texas and the authority to adopt all necessary rules for governing and regulating persons and their operations under the jurisdiction of the Commission. The Commission has authority to enforce statutes, rules and orders within its jurisdiction.² The Commission expressly has jurisdiction over inactive wells.³

In a Commission enforcement case, Commission rules state that notice of an enforcement hearing with the complaint for the case included is sufficient notice.⁴ The Administrative Procedures Act requires reasonable notice of not less than ten days and that the contents of the notice must include:

¹ There are two audio files for Commission enforcement cases on April 20, 2017. This case is on the first file named Enf 4-20-17 Part 1. The audio file for the hearing in this case is referred to in this PFD as “Tr. Vol. 1 at [hours:minutes].” Staff’s exhibits admitted during its direct case are referred to as “Staff Ex. [exhibit no.]” Bengal’s exhibits are referred to as “Respondent Ex. [exhibit no.]”

² See, e.g., TEX. NAT. RES. CODE §§ 85.041-.042; see also TEX. NAT. RES. CODE ch. 91.

³ See, e.g., TEX. NAT. RES. CODE §§ 89.041-.042.

⁴ 16 TEX. ADMIN. CODE § 1.49(c).

- (1) a statement of the time, place, and nature of the hearing;
- (2) a statement of the legal authority and jurisdiction under which the hearing is to be held;
- (3) a reference to the particular sections of the statutes and rules involved;
and
- (4) a short, plain statement of the factual matters asserted.⁵

On March 14, 2017, Staff sent Bengal the Original Complaint (“Complaint”) for this case and a Second Amended Notice of Hearing (“Notice”) setting the hearing for April 20, 2017.⁶ The Notice with the Complaint provided the time, place, and nature of the hearing; statements regarding the legal authority and jurisdiction under which the hearing was to be held; references to the particular sections of the statutes and rules involved; and a short, plain statement of the factual matters asserted. Both Staff and Bengal appeared at the hearing.

III. Applicable Legal Authority

Staff alleges violations of Statewide Rules 14(b)(2) and 14(d)(7). The main violation in this case is the violation of Statewide Rule 14(d)(7) for failure to properly plug.

Statewide Rule 14(d)(7) authorizes Staff to require additional plugging requirements under certain conditions. Specifically, it states:

(7) The district director or the director's delegate may require additional cement plugs to cover and contain any productive horizon or to separate any water stratum from any other water stratum if the water qualities or hydrostatic pressures differ sufficiently to justify separation. The tagging and/or pressure testing of any such plugs, or any other plugs, and respotting may be required if necessary to ensure that the well does not pose a potential threat of harm to natural resources.

Staff alleges the well was improperly plugged because an interval of the Well required to have a plug does not. Pursuant to Statewide Rule 14(d)(7), Staff requested additional plugs and/or additional information and claims Bengal has not complied.

The Statewide Rule 14(b)(2) violation flows from the 14(d)(7) violation. Staff alleges that the Well is in violation of inactive well requirements because it is not properly plugged. Statewide Rule 14(b)(2) requires the commencement of plugging operations on each inactive well within one year after drilling or operations cease unless the operator obtains an extension of the plugging deadline.⁷ It further requires the operator to “proceed with due diligence until completed.”

⁵ Tex. Gov't Code §§ 2001.051(1) and 2001.052(a).

⁶ See Notice of Hearing dated March 14, 2017.

⁷ 16 TEX. ADMIN. CODE § 3.14(b)(2).

IV. Discussion of Evidence

Staff presented testimony of one witness and nine exhibits. Bengal provided testimony of one witness and two exhibits.

A. Summary of Staff's Evidence and Argument

Staff's only witness was Petar Buva, a Commission Engineering Specialist. One of his duties is to process legal referrals.⁸

Bengal's most recent Commission Form P-5 (Organization Report) ("Form P-5") was received on July 19, 2013.⁹ The only officer listed is Golam Ahia as Manager. Roland Baker is listed as a Texas Resident Agent. The Notice and Complaint were sent to the addresses provided on the Form P-5.¹⁰

The current Form P-5 status of Respondent is delinquent.¹¹ Mr. Buva testified that because Respondent does not have an active Form P-5, it is not allowed to perform oil and gas activity, including operating a well, in Texas.¹²

Bengal is the operator of record for the Well, and has been since November 4, 2011.¹³

On January 17, 2013, Mr. Roland Baker, Bengal's consultant, called and notified the Commission district office ("District Office") that the Well was a dry hole and was going to be plugged; the District Office provided Mr. Baker plugging instructions. On January 18, 2013, he again called the District Office and cancelled the plugging of the Well.¹⁴

On August 20, 2014, a Commission inspector inspected the Lease and could not locate the Well and all pits appeared backfilled. He called Respondent's representative who notified the inspector that the Well had been plugged.¹⁵

On August 26, 2014, the District Office issued a letter to Respondent requesting a plugging report within 30 days and requesting Respondent to comply with Statewide Rule 14(b)(2)—noting the Well was not properly plugged, no plugging extensions applied and there had been no operations for twenty months.¹⁶

On or about August 27, 2014, Respondent filed a plugging report for the Well.¹⁷

⁸ See Tr. Vol. 1 at 00:15-00:33.

⁹ Staff Ex. 1.

¹⁰ See Notice of Hearing dated March 14, 2017.

¹¹ Staff Ex. 1.

¹² See 16 TEX. ADMIN. CODE § 3.1(a)(1); see also 16 TEX. ADMIN. CODE § 3.15(e)(2) (allows plugging extensions only for an operator who has a current Form P-5 report).

¹³ See Staff Ex. 2.

¹⁴ Staff. Ex. 4.

¹⁵ Staff Ex. 3.

¹⁶ Staff Ex. 4.

¹⁷ Staff Ex. 5.

On February 10, 2015, the District Office issued a letter stating that a file review was conducted February 5, 2015 and according to Respondent's plugging report, an intermediate plug prescribed at 600 to 440 feet was not set. The letter required Respondent to re-enter and re-plug the Well to add the missing intermediate plug; the letter also required Respondent to provide the District Office advance notification and request a Commission witness.¹⁸

On May 15, 2015, the District Office sent Respondent a second letter notifying Respondent to re-plug the well. The letter notified Respondent that the matter would be referred for enforcement if Respondent did not bring the Well into compliance.¹⁹ Mr. Buva testified that Respondent has not complied with the District Office's requirements.

Mr. Buva testified that the requested penalty is based on the guidelines in Statewide Rule 107.

B. Summary of Bengal's Evidence and Argument

Bengal's witness was consultant Mr. Roland Baker.²⁰ Mr. Baker testified that Respondent tried to properly plug the Well but acknowledged that a required plug was missed.²¹ He testified that Respondent tried to replug the Well and found undrillable material at approximately 140 feet. Respondent is agreeable to plugging the Well from the hole back to surface.

On or about March 13, 2017, Respondent filed a Notice of Intent to Plug and Abandon stating that undrillable material had been found while attempting to replug. This filing also proposed to fill the remaining hole with cement to surface.²²

Also on March 13, 2017, the District Office sent Respondent a letter in response to Bengal's proposal to fill the hole with cement to surface. The letter states that Staff needs a written explanation of the undrillable material to consider a waiver of the intermediate plug requirement. The letter also requires a current letter from the Commission Groundwater Advisory Unit ("GAU"). Mr. Baker acknowledges that he does not have a current letter from the GAU but testified he is in the process of seeking one. He acknowledges not providing the requested written explanation as to the undrillable material. He testified that it looked like metal and that he thinks the Well was plugged with tubing in the hole.

Mr. Baker testified that another operator has a written lease covering the Well and believes that operator should be responsible for plugging the Well. Staff responded that

¹⁸ Staff Ex. 6.

¹⁹ Staff Ex. 7.

²⁰ Tr. Vol. 1 at 00:32-01:11; see also rebuttal testimony at Tr. Vol. 1 at 01:11-01:27..

²¹ See also Respondent Ex. 1 at 6.

²² Respondent Ex. 1 at 2.

Bengal is the Commission operator of record and is thus responsible for regulatory compliance.

Mr. Baker testified Respondent has already incurred considerable expense in efforts to bring the Well into compliance.

Mr. Baker also testified that he thought this matter was resolved by a settlement. He provided a Commission Stipulation, Agreed Settlement and Consent Order ("Consent Order") signed by him. The Consent Order proposed a settlement of this matter with a penalty of \$500.00. He testified that Respondent paid the \$500.00 and provided a copy of the check for \$500.00 dated December 3, 2015.

Staff responded that the settlement was contingent on Respondent achieving compliance before the Consent Order is issued. Staff provided correspondence showing Mr. Baker knew that the Well would have to be brought into compliance or the settlement would not occur.²³ In an email dated January 21, 2016 from Mr. Baker to Staff (approximately a month after the date of the settlement check), Mr. Baker asks, "What is the next step?" In an email that same day, Staff member Doug Allmand replies:

I will need copy of the day reports showing the activities on the well bore since the re-entry began. A well bore diagram showing the well bore configuration for the original TD, any casing run, known work strings, junk or pipe left in the hole, and the intervals covered by cement plugs. A written proposal on how Bengal Petroleum plans to proceed to achieve the depths to properly plug the well. Provide the proposal to the District Office for review and recommendations.²⁴

Mr. Baker responds, "I am putting together Doug's request today. . . . He will have it today."²⁵ Mr. Baker acknowledged never providing the information requested that he told Staff he would provide.

Staff acknowledged that \$500.00 was paid by Respondent and asks that the requested penalty amount stay the same but that \$500.00 be applied such that the amount remaining to be owed is \$500.00 less than the amount assessed.

V. ALJ's Analysis

The ALJ finds that Staff provided sufficient evidence as to all violations alleged. The ALJ recommends that the Commission find the violations occurred as alleged, assess Staff's recommended penalty of \$1,000.00 against Bengal for the violations and order Bengal to place the Lease and Well in compliance with Commission rules and statutes.

²³ Staff Ex. 8 at

²⁴ Staff Ex. 8 at 17.

²⁵ *Id.*

A. Violation of Statewide Rule 14(d)(7)

Staff alleges a violation of Statewide Rule 14(d)(7).²⁶ Staff alleges that the Well was improperly plugged.

Statewide Rule 14(d)(7) allows the applicable Commission district office to require additional cement plugs to protect natural resources, mainly groundwater and/or productive horizons. Respondent agrees that it failed to plug a required interval when it originally plugged the Well. As such, the District Office's request to Respondent to reenter and plug the missed interval was appropriate. After the District Office was notified of Respondent's failed attempt to plug the missed interval, the District Office—via Doug Allmand's email—requested additional information. Mr. Allmand's request appears to be designed to ensure protection of natural resources regarding the plugging of the Well, consistent with the intent of Statewide Rule 14. There was no evidence that the request was unreasonable. In fact, according to the evidence, in Mr. Baker's last communication with the District Office, Mr. Baker agreed to provide the requested information that day. Based on the evidence, the ALJ finds that Bengal violated Statewide Rule 14(d)(7).

The ALJ further finds unpersuasive Respondent's arguments that (1) another operator should be responsible for plugging the Well and (2) this matter was resolved via settlement. The ALJ agrees that Respondent is responsible for regulatory compliance as the operator on record with the Commission; additionally, Respondent offered no evidence of another operator having a written lease covering the Well—neither the name of another operator was provided or any documentation of a lease. As to whether there was a settlement, the ALJ finds that the evidence supports a finding that no settlement was ever finalized due to Respondent's failure to achieve compliance.

B. Violation of Statewide Rule 14(b)(2)

Staff alleges a violation of Statewide Rule 14(b)(2).²⁷ Staff alleges that the Well has not been plugged in compliance with inactive well requirements.

Statewide Rule 14(b)(2) requires plugging activities to commence within 12 months of the ceasing of well operations; it further requires the plugging operations to proceed with due diligence until the plugging is completed. All parties agree that the Well never produced and was pronounced a dry hole at least by January 17, 2013. All parties agree that during initial plugging of the Well, a required interval to be plugged was missed. According to the initial plugging report, the Well was initially plugged on January 23, 2013. The plugging report was filed on August 22, 2014, over a year after the plugging and after the District Office discovered the Well plugged during an inspection and requested Respondent to file the plugging report. During a file review including the plugging report, the District Office noted that an interval was not plugged as required and notified Respondent in a letter dated February 10, 2015. The letter requested timely compliance. To date, this issue is still outstanding. Respondent never provided information which was

²⁶ 16 TEX. ADMIN. CODE § 3.14(d)(7).

²⁷ 16 TEX. ADMIN. CODE § 3.14(b)(2).

requested and it agreed to provide. Respondent did not file a notice of intent to replug until March 2017. One of the general plugging requirements is that "Wells shall be plugged to insure that all formations bearing usable quality water, oil, gas, or geothermal resources are protected."²⁸ Additionally, plugging reports are required to be filed within 30 days after plugging operations are completed.²⁹ The ALJ finds there is sufficient evidence that the Well is not properly plugged and Bengal violated Statewide Rule 14(b)(2).

C. The Penalty

Staff recommends a penalty of \$1,000.00 for the violations based on the penalty guidelines in Statewide Rule 107.

The Commission may assess administrative penalties against Respondent up to \$10,000 per day for each violation, with each day such violation continues constituting a separate violation.³⁰ Commission Statewide Rule 107 provides guidelines to be utilized when assessing enforcement penalties.³¹ Statewide Rule 107 provides factors that are to be considered. Specifically, Statewide Rule 107(d) states:

(d) Factors considered. The amount of any penalty requested, recommended, or finally assessed in an enforcement action will be determined on an individual case-by-case basis for each violation, taking into consideration the following factors:

- (1) the person's history of previous violations;
- (2) the seriousness of the violation;
- (3) any hazard to the health or safety of the public; and
- (4) the demonstrated good faith of the person charged.³²

Rule 107 provides guideline minimum penalties for typical violations.³³ Staff recommends a \$1,000.00 penalty for the Statewide Rule 14(d)(7) violation and no penalty for the Rule 14(b)(2) violation. There was an attempt to plug and replug the Well and both violations involve the same facts. Staff's recommended penalty is supported by the guidelines in Statewide Rule 107. The ALJ finds the evidence supports assessment of the \$1,000.00 penalty recommended by Staff.

D. Corrective Action

The last communication between the parties is that Staff requested additional measures from Respondent and Respondent agreed to do what was requested but never did. The ALJ finds that Staff's request for corrective actions requiring compliance with the rules at issue in this case is appropriate. The ALJ further finds that a corrective action

²⁸ 16 TEX. ADMIN. CODE § 3.14(d)(1).

²⁹ 16 TEX. ADMIN. CODE § 3.14(b)(1).

³⁰ TEX. NAT. RES. CODE § 81.0531.

³¹ See 16 TEX. ADMIN. CODE § 3.107(b).

³² 16 TEX. ADMIN. CODE § 3.107(d).

³³ 16 TEX. ADMIN. CODE § 3.107(e)(1) and (j).

requiring Respondent to provide the information most recently requested by Staff and agreed to by Respondent is also appropriate.

VI. Recommendation, Proposed Findings of Fact and Proposed Conclusions of Law

Based on the record in this case and evidence presented, the ALJ recommends that the Commission find that the alleged violations occurred; assess the penalty recommended by Staff; adopt the following findings of fact and conclusions of law; and issue the recommended following proposed ordering provisions.

Findings of Fact

1. On February 1, 2017, Bengal Operating, Inc. ("Respondent"), Operator No. 697137, was sent the Second Amended Original Complaint ("Complaint") for this case and a Notice of Hearing ("Notice"), for March 16, 2017, by certified and first-class mail, addressed to the most recent Commission Form P-5 (Organization Report) ("Form P-5") address. Respondent's officers and agents as identified on the Form P-5 were each sent the Complaint and Notice by certified and first-class mail, addressed to the addresses provided in the Form P-5.
2. The Notice with the Complaint provided the time, place, and nature of the hearing; statements regarding the legal authority and jurisdiction under which the hearing was to be held; references to the particular sections of the statutes and rules involved; and a short, plain statement of the factual matters asserted.
3. Both Staff and Bengal appeared at the hearing on March 16, 2017.
4. Respondent was given more than 30 days' notice of the Complaint and Notice.
5. On or about June 28, 2013, Respondent filed its most recent Form P-5 with the Commission reporting that its officers consist of the following individual: Ahia, Sk. Golam, Manager.
6. Ahia, Sk. Golam 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.
7. The violations of Commission rules committed by Respondent are related to safety and the control of pollution.
8. Respondent designated itself to the Commission as the operator of the J.P. Morris Lease (RRC Permit No. 727432) (the "Lease"), Well No. 121, (the "Well"), by filing a Commission Form W-1 (Application for Permit to Drill, Recomplete, or Reenter), effective November 4, 2011. Respondent remains the operator of record for the Lease.

9. Respondent's Form P-5 is delinquent. There have been no, and Respondent is not eligible for, plugging deadline extensions for the Well.
10. On January 17, 2013, Respondent notified the Commission district office ("District Office") that the Well was a dry hole and was going to be plugged.
11. The Well was initially plugged on January 23, 2013.
12. On August 20, 2014, a Commission inspector inspected the Lease and could not locate the Well and all pits appeared backfilled. He called Respondent's representative who notified the inspector that the Well had been plugged.
13. On August 26, 2014, the District Office issued a letter to Respondent requesting a plugging report within 30 days and requesting Respondent to comply with Statewide Rule 14(b)(2)—noting the Well was not properly plugged, no plugging extensions applied and there had been no operations for twenty months.
14. On or about August 27, 2014, Respondent filed a plugging report for the Well.
15. On February 10, 2015, the District Office issued a letter stating that a file review was conducted February 5, 2015 and according to Respondent's plugging report, an intermediate plug prescribed at 600 to 440 feet was not set. The letter required Respondent to reenter and replug the Well to add the missing intermediate plug; the letter also required Respondent to provide the District Office advance notification and request a Commission witness.
16. Respondent acknowledges and agrees that during initial plugging of the Well, a required intermediate plug was missed and remains unplugged.
17. On May 15, 2015, the District Office sent Respondent a second letter notifying Respondent to replug the well. The letter notified Respondent that the matter would be referred for enforcement if Respondent did not bring the Well into compliance.³⁴
18. Respondent informed Staff that an attempt to replug was made and that undrillable material had been found while attempting to replug. In an email dated January 21, 2016 from Respondent to Staff, Respondent requests what needs to be done to bring the Well into compliance. In an email that same day, Staff requests the following:
 - a. A copy of the day reports showing the activities on the wellbore since the reentry began;

³⁴ Staff Ex. 7.

- b. A wellbore diagram showing the wellbore configuration for the original total well depth, any casing run, known work strings, junk or pipe left in the hole, and the intervals covered by cement plugs; and
- c. A written proposal on how Respondent plans to proceed to achieve the depths to properly plug the well.

Respondent agreed to provide the requested information but never did.

- 19. On or about March 13, 2017, Respondent filed a Notice of Intent to Plug and Abandon stating that undrillable material had been found while attempting to replug.
- 20. Commission records and inspection reports show the Well is a dry hole, never produced, and has been inactive for a period greater than one year (since at least January 2013).
- 21. The 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 Well as allowed by Statewide Rule 14. The Well is not otherwise in compliance with Statewide Rule 14.
- 22. Usable quality groundwater in the area can become contaminated by migrations or discharges of saltwater and other oil and gas wastes from the subject well. Improperly and unplugged wellbores, in violation of Statewide Rules 14(b)(2) and 14(d)(7), constitute a cognizable threat to the public health and safety because of the potential of pollution.

Conclusions of Law

- 1. Proper notice was issued by the Commission to Respondent and all other appropriate persons legally entitled to notice. *See, e.g.,* TEX. GOV'T CODE § 2001.051-.052; 16 TEX. ADMIN. CODE § 1.49.
- 2. The Commission has jurisdiction in this case. *See, e.g.,* TEX. NAT. RES. CODE §§ 81.051, 81.0512, 85.041-.042; *see also* TEX. NAT. RES. CODE ch. 91.
- 3. Respondent is responsible for maintaining the Lease in compliance with all applicable Commission rules, including Statewide Rule 14, and chapters 89 and 91 of the Texas Natural Resources Code.
- 4. Respondent is in violation of Statewide Rules 14(b)(2) and 14(d)(7). 16 TEX. ADMIN. CODE §§ 3.14(b)(2), 3.14(d)(7).

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. 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.
7. An assessed administrative penalty in the amount of ONE THOUSAND DOLLARS (\$1,000.00) is justified considering the facts and violations at issue.
8. 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, Ahia, Sk. Golam, and any other organization in which this individual may hold a position of ownership or control, are subject to the restriction in section 91.114(a)(2) of the Texas Natural Resources Code.

Ordering Provision Recommendations

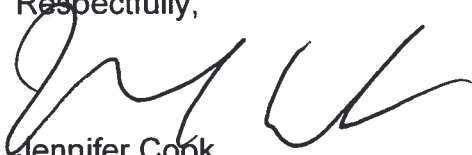
The ALJ recommends the Commission enter an order with the following ordering provisions:

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

1. Bengal Petroleum USA, LLC shall place the Lease and Well in compliance with Statewide Rules 14(b)(2), 14(d)(7) and any other applicable Commission rules and statutes.
2. Unless otherwise agreed to in writing by Commission staff, Bengal Petroleum USA, LLC shall provide the following to the Commission District Office for District 7B:
 - a. A copy of the day reports showing the activities on the Well's wellbore since the reentry began;
 - b. A wellbore diagram of the Well showing the wellbore configuration for the original total well depth, any casing run, known work strings, junk or pipe left in the hole, and the intervals covered by cement plugs; and
 - c. A written proposal on how Respondent plans to proceed to achieve the depths to properly plug the well.
3. Bengal Petroleum USA, LLC shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **ONE THOUSAND DOLLARS (\$1,000.00)**.

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, Ahia, Sk. Golam and any other organization in which he 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.

Respectfully,

A handwritten signature in black ink, appearing to read 'Jennifer Cook', written over a horizontal line.

Jennifer Cook
Administrative Law Judge