

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 09-0295358

ENFORCEMENT ACTION AGAINST REDWOOD OPERATING, INC. (OPERATOR NO. 697137) FOR VIOLATIONS OF STATEWIDE RULES ON THE ABE LINCOLN LEASE (LEASE NO. 05490), WELL NOS. 1L, 1W, 2L, 2W, 3, 3L, 4, 4L, 6, 6L, 7, 8, 9W, 10G, 11G, 12, 13, 14, 15W, 16, 17, 19, 20, 21, 22 AND 24, WICHITA COUNTY REGULAR FIELD, WICHITA COUNTY, TEXAS

FINAL ORDER

The Commission finds that, after statutory notice, the captioned proceeding was heard by an Administrative Law Judge ("ALJ") on March 16, 2017. The ALJ has circulated a Proposal for Decision containing findings of fact and conclusions of law. Having been duly submitted to the Railroad Commission of Texas at a conference held in its offices in Austin, Texas, those findings of fact and conclusions of law are hereby adopted and made a part hereof by reference.

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

1. Redwood Operating, Inc. shall place the Abe Lincoln Lease (Lease No. 05490) and Well Nos. 1L, 1W, 2L, 2W, 3, 3L, 4, 4L, 6, 6L, 7, 8, 9W, 10G, 11G, 12, 13, 14, 15W, 16, 17, 19, 20, 21, 22 AND 24 in compliance with Statewide Rules 3(1), 3(2), 3(3), 8(d)(2), 13(a)(6)(A), 14(b)(2), 17(a), 46(j) and 73(i), TEX. NAT. RES. CODE § 91.706 and any other applicable Commission rules and statutes.
2. Redwood Operating, Inc. shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **ONE HUNDRED FIFTY-FIVE THOUSAND NINE HUNDRED TWO DOLLARS (\$155,902.00)**.

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, Richard Scott Millard 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.

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 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.

Each exception to the Proposal for Decision not expressly granted herein is overruled. 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 15th day of August, 2017, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

Christi Craddick

CHAIRMAN CHRISTI CRADDICK

Ryan Sitton

COMMISSIONER RYAN SITTON

Wayne Christian

COMMISSIONER WAYNE CHRISTIAN

ATTEST:

Kathy Way

SECRETARY

SECRETARY