

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 7C-0295599**

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**ENFORCEMENT ACTION AGAINST SYMOC, LLC (OPERATOR NO. 833599) FOR VIOLATIONS OF STATEWIDE RULES ON THE ROCK PEN NORTH (15577) LEASE, WELL NO. 5, ROCK PEN (CLEARFORK) FIELD, IRION 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 August 3, 2017, and that the respondent, SYMOC, LLC, failed to appear or respond to the **Notice of Hearing**. Pursuant to § 1.45 of the Commission's General Rules of Practice and Procedure, 16 TEX. ADMIN. CODE § 1.45, 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. SYMOC, LLC ("Respondent"), Operator No. 833599, was sent the First Amended Complaint and Notice of Hearing by certified and first-class mail, addressed to the most recent Commission Form P-5 (Organization Report) ("Form P-5") address. Respondent's agent and officers as identified on the Form P-5—Grant Richard Lee, Resident Texas Agent and Vaugh Norman Howard, Manager—were sent the First Amended Complaint and Notice of Hearing by certified and first-class mail, addressed to their last known address.
2. The certified mail envelopes containing the First Amended Complaint and Notice of Hearing addressed to the Respondent and Vaugh Norman Howard were received on June 12, 2017. The Certified Mail envelope addressed to Grant Richard Lee was returned to the Commission unopened on June 12, 2017. 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 First Amended Complaint and Notice of Opportunity for Hearing. Respondent has not entered into an agreed settlement order, filed an answer, or requested a hearing.
3. On June 30, 2015, Respondent, a limited liability company, filed a Form P-5 with the Commission reporting that its officers consist of the following individuals: Vaugh Norman Howard and Grant Richard Lee.
4. Vaugh Norman Howard was in a position of ownership or control of Respondent, as defined in TEX. NAT. RES. CODE § 91.114, during the time period of the violations of Commission rules committed by Respondent.

5. Grant Richard Lee was in a position of ownership or control of Respondent, as defined in TEX. NAT. RES. CODE § 91.114, during the time period of the violations of Commission rules committed by Respondent.
6. Respondent's Form P-5 is delinquent. Respondent had a \$25,000.00 bond as its financial assurance at the time of the last Form P-5 annual renewal submission.
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 Rock Pen North (15577) Lease, Well No. 5, by filing a Commission Form P-4 (Certificate of Compliance and Transportation Authority), effective June 1, 2014, approved July 30, 2014.
9. Commission district inspection reports made on July 10, 2014, August 12, 2014, September 11, 2014, October 9, 2014, October 23, 2014, January 8, 2015, August 21, 2015, November 18, 2015, March 3, 2016, August 2, 2016, January 13, 2017, and March 15, 2017 for the Rock Pen North (15577) Lease show pollution leaking from a valve at the top of a tank affecting an area measuring eight feet in diameter, oil leaking from tubing at Well No. 5 in the cellar, and oil and produced water at Well No. 5 at the surface.
10. Respondent did not have a permit for said discharges, nor were they authorized under Statewide Rules 8(d)(3), 8(e), 9, 46 or 98.
11. Unpermitted discharges of oil and gas waste, in violation of Statewide Rule 8(d)(1), can contaminate the land surface, affect the health of humans and animals, and may eventually be discharged to surface or subsurface waters, causing pollution.
12. Commission inspection reports made on July 10, 2014, August 12, 2014, September 11, 2014, October 9, 2014, October 23, 2014, January 8, 2015, August 21, 2015, November 18, 2015, March 3, 2016, August 2, 2016, January 13, 2017, and March 15, 2017, and the absence of reported production since July 2014, showed that the Rock Pen North (15577) Lease, Well No. 5 has been inactive for a period greater than one year. Production from the subject lease ceased on or before July 2014.
13. No workovers, re-entries, or subsequent operations have taken place on the subject well within the last twelve months; the subject well has not been properly plugged in accordance with Statewide Rule 14, 16 Tex. Admin Code § 3.14; and no plugging extensions are in effect for the subject well as allowed by Statewide Rule 14.
14. Usable quality groundwater in the area can become contaminated by migrations or discharges of saltwater and other oil and gas waste from the subject well. Unplugged wellbores, in violation of Statewide Rule 14(b)(2), constitute a cognizable threat to the public health and safety because of the potential of pollution.

15. The total estimated cost to the State for plugging the Rock Pen North (15577) Lease, Well No. 5 is \$30,150.12.
16. Commission district inspection reports made on July 10, 2014, August 12, 2014, September 11, 2014, October 9, 2014, October 23, 2014, January 8, 2015, August 21, 2015, November 18, 2015, March 3, 2016, August 2, 2016, January 13, 2017, and March 15, 2017 for the Rock Pen North (15577) Lease show that there is pressure at the valve at Well No. 5 and oil and produced water were leaking from the valve and bubbling to the ground.
17. Pressure on surface casing could be indicative of possible produced fluid channeled into and associated with contamination of usable quality groundwater stratum.
18. 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 TEX. NAT. RES. CODE, Chapters 89 and 91.
4. Respondent is in violation of Statewide Rules 8(d)(1), 14(b)(2), and 17(b). 16 TEX. ADMIN. CODE §§ 3.8(d)(1), 3.14(b)(2), and 3.17(b).
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 8(d)(1), which prohibits the discharge of oil and gas waste without a permit.
7. Respondent is responsible for maintaining the subject lease in compliance with Statewide Rule 14(b)(2), which requires that plugging operations on each dry or inactive well shall be commenced within a period of one year after drilling or operations cease and shall proceed with due diligence until completed, unless the operator is eligible for and obtains an extension of the plugging deadline.
8. Respondent is responsible for maintaining the subject lease in compliance with Statewide Rule 17(b) which requires that any well showing pressure on the

bradenhead or leaking gas, oil, or geothermal resource between the surface and the production or oil string be tested and if the test shows pressure or is inconclusive, the casing shall be condemned and a new production or oil string shall be run and cemented.

9. 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 continue constituting a separate violation.
10. An assessed administrative penalty in the amount of **TWENTY-ONE THOUSAND, SEVEN HUNDRED TWENTY-FIVE DOLLARS (\$21,725.00)** is justified considering the facts and violations at issue.
11. As persons in positions of ownership or control of Respondent at the time Respondent violated Commission rules related to safety and the control of pollution, Vaugh Norman Howard, and Grant Richard Lee, and any other organization in which these individuals may hold a position of ownership or control, is subject to the restriction in TEX. NAT. RES. CODE § 91.114(a)(2).

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

1. SYMOC, LLC (Operator No. 833599) shall plug the Rock Pen North (15577) Lease, Well No. 5, and place the subject leases in compliance with Statewide Rules 8(d)(1), 14(b)(2), and 17(b), and any other applicable Commission rules and statutes.
2. SYMOC, LLC (Operator No. 833599) shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **TWENTY-ONE THOUSAND, SEVEN HUNDRED TWENTY-FIVE DOLLARS (\$21,725.00)**.

It is further **ORDERED** that as persons in positions of ownership or control of Respondent at the time Respondent violated Commission rules related to safety and the control of pollution, Vaugh Norman Howard, and Grant Richard Lee, and any other organization in which these individuals may hold a position of ownership or control, **shall be subject to the restriction in TEX. NAT. RES. CODE § 91.114(a)(2) 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 19<sup>th</sup> day of September 2017.

**RAILROAD COMMISSION OF TEXAS**

(Signatures affixed by Default Master  
Order dated September 19, 2017)

CJH/dac