

RAILROAD COMMISSION OF TEXAS  
HEARINGS SECTION

OIL & GAS DOCKET NO. 09-0301238

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OIL & GAS DOCKET NO. 09-0301238: ENFORCEMENT ACTION AGAINST CLEARY PETROLEUM CORPORATION (OPERATOR NO. 159656) FOR VIOLATIONS OF STATEWIDE RULES ON THE CATO 2 LEASE, WELL NO. 1 (RRC PERMIT NO. 712919), KADANE CATO (CONGL) FIELD, HARDEMAN COUNTY TEXAS

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FINAL ORDER

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the Administrative Law Judge on January 26, 2017, and that the respondent, Cleary Petroleum Corporation, 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 [Tex. R. Comm'n, 16 TEX. ADMIN. CODE § 1.49] and after being duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, the Commission makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

1. Cleary Petroleum Corporation hereinafter referred to as "Respondent," was given at least ten (10) days notice of this proceeding by certified mail, addressed to Respondent's most recent organization addresses on file with the Commission.
2. Enforcement appeared at the hearing in this matter and its certified file was accepted into evidence. Respondent failed to respond to the notice of hearing or appear at the hearing.
3. Respondent has reported itself to the Commission as a Corporation, performing activities in the State of Texas regulated by the Commission. The Commission has jurisdiction over the Respondent under Tex. Nat. Res. Code Ann. §§81.051-81.052, §85, §89, and §91.101. Under Railroad Commission General Rules of Practice and Procedure §1.48 [Tex. R.R. Comm'n 16 Tex. Admin. Code §1.48], notice of hearing may be served on Respondent by Regular Mail and by Certified Mail, Return Receipt Requested, addressed to Cleary Petroleum Corporation, P. O. Box 7678., Edmond, Ok 73083, the "organization address" reported to the Commission.
4. Respondent is responsible for the captioned violation under 16 TEX. ADMIN. CODE §3.14(b)(1) at the captioned location.
5. 16 TEX. ADMIN CODE §3.14(b)(1) requires a plugging report to be completed, duly verified, and filed in duplicate on the appropriate Commission W-3 form in the District Office within 30 days after plugging operations are completed, duly verified, and filed in duplicate on the appropriate Commission W-3 form in the District Office within 30 days after plugging operations are completed, accompanied by a W-15 cementing report made by the party cementing the well. If the well the operator is plugging is a dry hole, and electric log status report shall be filed with the plugging report.
6. A Commission Inspection Report date August 16, 2012, documents that the well was plugged and abandoned on that date, as witnessed by Commission personnel. Commission records show that no completion or plugging report was ever filed for Well No. 1.
7. Unverified plugging of wellbores may result in the pollution of usable quality ground water and surface water as defined in Statewide Rule 8(a)(28).
8. Respondent's violation is serious and a hazard to public health and safety.

## CONCLUSIONS OF LAW

1. Proper notice of hearing was timely issued to the appropriate persons entitled to notice.
2. All things necessary to the Commission attaining jurisdiction have occurred.
3. Respondent is in violation of 16 TEX. ADMIN CODE §3.14(b)(1).
4. The violations committed by Respondent constitute acts deemed serious and a hazard to the public health and safety, and demonstrate a lack of good faith within the meaning of TEX. NAT. RES. CODE ANN. §81.0531.
5. Pursuant to TEX. NAT. RES. CODE ANN. §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.

It is accordingly ORDERED that within 30 days from the day immediately following the date this order becomes final:

1. Cleary Petroleum Corporation shall pay an administrative penalty in the amount of FIVE THOUSAND DOLLARS (\$5,000.00) and;
2. Place the subject lease into compliance with 16 TEX. ADMIN CODE §3.14(b)(1)

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 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 21th day of March, 2017.

RAILROAD COMMISSION OF TEXAS

(Signatures affixed by Default Master Order dated March 21, 2017)