

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 01-0301470**

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**ENFORCEMENT ACTION AGAINST JENEX PETROLEUM CORPORATION (OPERATOR NO. 431135) FOR VIOLATIONS OF STATEWIDE RULES ON THE BURNS, JANES -B- (00802) LEASE, WELL NO. 19, KYOTE FIELD AND ALLERKAMP, ERNEST E. (01365) LEASE, PEARSALL (NABARRO SAND) FIELD, FRIO 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 **January 26, 2017** and that the respondent, **Jenex 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, 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. **JENEX PETROLEUM CORPORATION** ("Respondent"), Operator No. **431135**, 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. Respondent's officers and agents as identified on the Form P-5—Brett Jensen—were each sent the Original Complaint and Notice of Opportunity for Hearing by certified and first class mail, addressed to his last known address.
2. The certified mail envelope containing the Original Complaint and Notice of Opportunity for Hearing was received by the Respondent on November 22, 2016. The first class mail was not returned. Record of the delivery 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. On March 1, 2012, Respondent, a corporation, filed a Form P-5 with the Commission reporting that its officers consist of the following individual(s): Brett Jensen, President/Secretary/ Treasurer.

4. Brett Jensen 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 active. Respondent had a \$250,000 bond as its financial assurance at the time of Respondent's last Form P-5 annual renewal submission.
6. The violations of Commission rules committed by Respondent are related to safety and the control of pollution.
7. Respondent designated itself to the Commission as the operator of the **Burns, Jane -B-(00802) Lease, Well No. 19** and **Allerkamp, Ernest E. (01365) Lease** by filing a Commission Form P-4 (Certificate of Compliance and Transportation Authority), effective May 20, 1991, approved May 23, 1991.
8. Commission inspection reports made on September 13, 2015 and April 18, 2016 for the Allerkamp, Ernest E. (01365) indicates Respondent deposited oil and gas contaminated soil at the lease without a permit. The affected area measures approximately 300' x 250'.
9. 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.
10. 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.
11. Commission inspection reports made on August 17, 2015 on the **Burns, Jane -B-(00802) Lease, Well No. 19**, indicates large amount of produced water were leaking from the stuffing box of Well No. 19. Respondent failed to immediately give notice of the leak to the Commission, which was eventually disclosed by the landowner's representative.
12. Unreported discharges, in violation of Statewide Rule 20(a)(1), can contaminate land surface and may eventually be discharged to surface or subsurface waters, causing pollution.
13. Respondent is responsible for prior violations of Commission statutes and rules as documented in the enforcement final orders for Oil & Gas Docket Nos. 01-0297458.

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 Rules 8 (d)(1) and 20(a)(1). 16 TEX. ADMIN. CODE §§ 3.8(d)(1) and 3.20(a)(1).
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 leases 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 leases in compliance with Statewide Rule 20(a), which requires that operators immediately provide notice to the appropriate Commission District Office by telephone or telegraph of a fire, leak, spill or break. A leak of crude oil can contaminate the land surface, affect the health of humans and animals, and may eventually be discharged to surface or subsurface waters, causing pollution.
8. 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.
9. An assessed administrative penalty in the amount of TWENTY SEVEN THOUSAND AND FIVE HUNDRED DOLLARS (\$27,500.00) is justified considering the facts and violations at issue.
10. 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, Brett Jensen, and any other organization in which he 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.

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

1. Jenex Petroleum Corporation (“Respondent”), Operator No. 431135 Shall place in compliance The Burns, Janes -B- (00802) Lease, Well No. 19, And Allerkamp, Ernest E. (01365) Lease in compliance with Statewide Rules 8(d)(1) and 20(a)(1) and any other applicable Commission rules and statutes.
2. **JENEX PETROLEUM CORPORATION** (“Respondent”), Operator No. **431135** shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **TWENTY SEVEN THOUSAND AND FIVE HUNDRED DOLLARS (\$27,500.00)**.

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 Brett Jensen 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 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 pending motions and request for relief not previously granted or granted herein are denied.

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.

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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 as 21st day of March 2017

**RAILROAD COMMISSION OF TEXAS**

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

CJH/PBM