

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 8A-0301472**

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**ENFORCEMENT ACTION AGAINST COBALT OPERATING, LLC (OPERATOR NO. 162726) FOR VIOLATIONS OF STATEWIDE RULES ON THE MILESTONE LEASE, WELL NO. 1 (DRILLING PERMIT NO. 786542), LANDON (DEVONIAN) FIELD, YOAKUM COUNTY, TEXAS**

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**FINAL ORDER**

The Commission finds that after statutory notice the captioned proceedings were heard by an Administrative Law Judge on October 12, 2017. The Administrative Law Judge 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 conference held in its offices in Austin, Texas, the Findings of Fact and Conclusions of Law are hereby adopted and made a part hereof by reference.

**IT IS HEREBY ORDERED** that not later than the thirtieth day following the date on which this order becomes final under law Cobalt Operating, L.L.C. (Operator No. 162726) shall pay to the Railroad Commission of Texas an administrative penalty in the amount of \$18,100.

It is further **ORDERED** that Cobalt Operating, L.L.C. (Operator No. 162726) shall bring the Cobalt Operating Milestone Lease, Well No. 1 (Drilling Permit No. 786542), Landon (Devonian) Field, Yoakum County, Texas, fully into compliance with all rules of the Commission within 30 days of the date this order becomes final.

It is further **ORDERED** that Mark Burkett, and each person who holds a position of ownership or control in Cobalt Operating, L.L.C. (Operator No. 162726) shall be subject to the restrictions of 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 sooner, if 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 cleanup costs 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 100 days from the date Commission Order is signed.

Each exception to the Administrative Law Judge's 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 per day per violation.

**ENTERED** in Austin, Texas on this 13<sup>th</sup> day of February 2018.

**RAILROAD COMMISSION OF TEXAS**

*Christi Craddick*

CHAIRMAN CHRISTI CRADDICK

*Ryan Sitton*

COMMISSIONER RYAN SITTON

*Wayne Christian*

COMMISSIONER WAYNE CHRISTIAN

ATTEST

*Kathy Way*

SECRETARY