

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET No. 7B-0307571

ENFORCEMENT ACTION AGAINST ATWELL TECHNICAL SERVICES, INC. (OPERATOR No. 036634) FOR VIOLATIONS OF STATEWIDE RULES ON THE PITTMAN, LAVER "572" (24804) LEASE, WELL NOS. 1, 9, AND 13, SHACKELFORD COUNTY REGULAR FIELD, SHACKELFORD COUNTY, TEXAS

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 March 1, 2018, and that the respondent, Atwell Technical Services, Inc., failed to appear or respond to the **Notice of Opportunity for Hearing**. Pursuant to § 1.25 of the Commission's General Rules of Practice and Procedure, 16 TEX. ADMIN. CODE § 1.25, 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. Atwell Technical Services, Inc. ("Respondent"), Operator No. 036634, 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 as identified on the Form P-5—Bobette Atwell and Donald Ray Atwell—were sent the Original Complaint and Notice of Opportunity for Hearing by certified and first-class mail, addressed to the last known addresses.
2. The certified mail envelope containing the Original Complaint and Notice of Opportunity for Hearing addressed to the Respondent was delivered on January 18, 2018. The Certified Mail envelopes addressed to Bobette Atwell and Donald Ray Atwell were received on January 18, 2018. None of the first-class mail was 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 May 15, 2017, Respondent, a corporation, filed a Form P-5 with the Commission reporting that its officers consist of the following individuals: Bobette Atwell, Secretary and Donald Ray Atwell, President.
4. Bobette Atwell 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. Donald Ray Atwell 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 active. Respondent had a \$50,000.00 letter of credit as its financial assurance at the time of the last Form P-5 annual renewal submission.
7. Respondent designated itself to the Commission as the operator of the Pittman, Laver "572" (24804) Lease, Well Nos. 1, 9, and 13, by filing a Commission Form P-4 (Certificate

of Compliance and Transportation Authority), effective January 1, 2008, approved February 26, 2008.

8. Commission inspection reports made on June 29, 2017, August 16, 2017, and October 9, 2017 for the Pittman, Laver "572" (24804) Lease, Well No. 13 shows that the sign or identification required to be posted at the well location was missing.
9. The lack of legible signs and identification displaying correct information, as set forth in Statewide Rule 3(2), may cause confusion as to the responsible operator to be contacted and the actual location of a violation or emergency, which can result in delays in remedying a violation or emergency.
10. Commission inspection reports made on June 29, 2017, August 16, 2017, and October 9, 2017 for the Pittman, Laver "572" (24804) Lease indicate four areas of pollution. At the east fiberglass tank, a continuing leak has spilled produced water in an area measuring one foot in diameter. At Well No. 1, an area measuring 10 feet square at the wellhead has been affected by produced water, including approximately five gallons of freestanding produced water. Also, at Well No. 1, there is an area of hydrocarbon-soaked soil measuring 300 feet square at the wellhead, including approximately five gallons of hydrocarbons. At Well No. 9, there is an area of hydrocarbon-soaked soil measuring 30 feet square at the wellhead.
11. 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.
12. 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.
13. 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, chs. 89 and 91.
4. Respondent is in violation of Statewide Rules 3(2) and 8(d)(1). 16 TEX. ADMIN. CODE §§ 3.3(2) and 3.8(d)(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 lease in compliance with Statewide Rule 3(2), which requires that each well site that produces oil, gas, or geothermal resources shall post signs or identification showing the name of the property, name of the operator and the well number.
7. 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.
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 **TWO THOUSAND, SIX HUNDRED SEVENTY DOLLARS (\$2,670.00)** is justified considering the facts and violations at issue.
10. 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, Bobette Atwell and Donald Ray Atwell, 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).

ORDERING PROVISIONS

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

1. Atwell Technical Services, Inc. (Operator No. 036634) shall place the Pittman, Laver "572" (24804) Lease, Well Nos. 1, 9, and 13, in compliance with Statewide Rules 3(2), and 8(d)(1), and any other applicable Commission rules and statutes.
2. Atwell Technical Services, Inc. (Operator No. 036634) shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **TWO THOUSAND, SIX HUNDRED SEVENTY DOLLARS (\$2,670.00)**.

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, Bobette Atwell and Donald Ray Atwell, 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 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 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 per day per violation.

Done this 10th day of April 2018.

RAILROAD COMMISSION OF TEXAS

(Signatures affixed by Default Master Order
dated April 10, 2018)

JNC/rnf