

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 01-0307780

**ENFORCEMENT ACTION AGAINST JET BLACK OIL, INC. (OPERATOR NO. 432089)
FOR VIOLATIONS OF STATEWIDE RULES ON THE FIVE MILE UNIT (14313) LEASE,
WELL NOS. 4 AND 7, FIVE MILE (WILSON, UPPER) FIELD, GONZALES COUNTY,
TEXAS**

FINAL ORDER

The Railroad Commission ("RRC" or "Commission") finds that after statutory notice in the above-docketed case, heard on April 16, 2018, the presiding Administrative Law Judge has made and filed a Proposal for Decision containing findings of fact and conclusions of law, which was served on all parties of record, and that this proceeding was duly submitted to the Commission at a conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the Proposal for Decision and the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates those findings of fact and conclusions of law as if fully set out and separately stated herein.

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

1. Jet Black Oil, Inc. shall place the Five Mile Unit (14313) Lease, Well Nos. 4 and 7, Five Mile (Wilcox, Upper) Field, Gonzales County, Texas in compliance with Statewide Rules 3(1), 3(2), 3(3), 8(d)(1), 13(a)(6)(A), and 14(b)(2), and any other applicable Commission rules and statutes.
2. Jet Black Oil, Inc. shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **TWENTY THOUSAND SIX HUNDRED NINE DOLLARS (\$20,609.00)**.

It is further **ORDERED** that as persons in a position of ownership or control of Respondent at the time Respondent violated Commission rules related to safety and the control of pollution, Derrick Lamont Phelps and Stacey F. Rice and any other organization in which said individuals 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) and 16 TEX. ADMIN. CODE § 1.128(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.

Each exception to the 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 \$10,000.00 per day per violation.

ENTERED in Austin, Texas on this 30th day of October, 2018.

RAILROAD COMMISSION OF TEXAS



CHAIRMAN CHRISTI CRADDICK



COMMISSIONER RYAN SITTON



COMMISSIONER WAYNE CHRISTIAN

ATTEST



SECRETARY

