

**RAILROAD COMMISSION OF TEXAS  
OFFICE OF GENERAL COUNSEL**

**OIL AND GAS DOCKET NO. 01-0309813**

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**ENFORCEMENT ACTION AGAINST HIGHER STANDARD OIL COMPANY, INC. (OPERATOR NO. 385715) FOR VIOLATION OF COMMISSION STATEWIDE RULES ON THE N.L. WIEGAND LEASE, WELL NO. 2 (DRILLING PERMIT NO. 786219), FENTRESS (1750) FIELD, CALDWELL COUNTY, TEXAS; AND THE MERCER U.E. JR., ET AL LEASE, WELL NOS. 2 (DRILLING PERMIT NO. 793228) AND 4 (DRILLING PERMIT NO. 793217), FENTRESS (1750) FIELD, CALDWELL COUNTY, TEXAS**

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**FINAL ORDER**  
**Nunc Pro Tunc**

The Railroad Commission of Texas (“Commission”) finds that, after statutory notice and opportunity for hearing, Higher Standard Oil Company, Inc. (Operator No. 385715) (“Respondent”) failed to enter into settlement negotiations, file an answer to the Original Complaint, or request a hearing to contest the allegations. Pursuant to § 1.25 of the Commission’s General Rules of Practice and Procedure, 16 Texas Administrative Code § 1.25, and being duly submitted to the Commission at an open meeting held in its offices in Austin, Texas, the Commission makes the following findings of fact and conclusions of law.

**FINDINGS OF FACT**

1. Respondent’s Organization Report (Form P-5) is delinquent. Respondent had a \$50,000.00 cash deposit on file with the Commission as financial security when it last renewed its Organization Report on April 17, 2017.
2. Respondent, a corporation, named the following individual as an officer of record on its most recently filed Form P-5: Geary Trigleth, President/ Secretary.
3. Geary Trigleth was in a position of ownership or control, as defined by Texas Natural Resources Code § 91.114, when Respondent committed the herein specified violations of Commission rules and statutes.
4. Respondent was served the Original Complaint and Notice of Opportunity for Hearing by certified and first-class mail, addressed to both the mailing address and street address as provided on the most recently filed Form P-5 and subsequent change of address form submitted by Respondent.
5. The certified mail envelope sent to Respondent’s mailing address—containing the Original Complaint and Notice of Opportunity for Hearing—was delivered on January 24, 2019.

6. The certified mail envelope sent to Respondent's street address—containing the Original Complaint and Notice of Opportunity for Hearing—was returned to the Commission unopened on March 1, 2019.
7. No first-class mail envelopes were returned to the Commission.
8. Record of the delivery and return of certified mail has been on file with the Commission for more than 15 days, exclusive of the date of receipt and date of issuance.
9. Respondent was given more than 30 days' notice of the Original Complaint and Notice of Opportunity for Hearing.
10. Respondent was provided more than 30 days' notice of the Notice of Hearing.

**N.L. Wiegand Lease, Well No. 2 (Drilling Permit No. 786219)**

11. Respondent is the designated operator of the N.L. Wiegand, Well No. 2 (Drilling Permit No. 786219), Fentress (1750) Field, Caldwell County, Texas (the "Wiegand Well") pursuant to a Commission Form W-1 (Application for Permit to Drill, Recomplete, or Re-Enter) received May 5, 2014, and issued June 6, 2014.
12. Commission inspections conducted on July 15, 2016, September 16, 2016, December 28, 2016, September 25, 2017, November 13, 2017, and February 20, 2018, show that the sign required to be posted at the property entrance was not posted at the Wiegand Well property entrance.
13. Commission inspections conducted on July 15, 2016, September 16, 2016, December 28, 2016, September 25, 2017, November 13, 2017, and February 20, 2018, show that the sign required to be posted at the well site was not posted at the Wiegand Well well site.
14. Commission inspections conducted on July 15, 2016, September 16, 2016, December 28, 2016, September 25, 2017, November 13, 2017, and February 20, 2018, show that the sign required to be posted at the tank battery was not posted at the Wiegand Well tank battery.
15. The lack of signs and identification, as required by Statewide Rule 3, 16 Texas Administrative Code § 3.3(1)-(3), may cause confusion in the event of a pollution or safety violation, or another emergency; without correct operator or location information, efforts to contain and/or remediate the violation or emergency may be substantially delayed.
16. Commission inspections conducted on July 15, 2016, September 16, 2016, December 28, 2016, September 25, 2017, November 13, 2017, and February 20, 2018, show that the Wiegand Well had been completed. Commission records show no completion report on file for the N.L. Wiegand, Well No. 2 (Drilling Permit No. 786219).
17. Without a completion report, as required by Statewide Rule 16(b), 16 Texas Administrative Code § 3.16(b), the Commission cannot determine if a wellbore has been properly cased and cemented to protect usable quality waters from oil and salt water present in the wellbore.
18. Respondent has never reported production from the Wiegand Well. The Wiegand Well has been inactive for at least one year.

19. No workovers, re-entries, or subsequent operations have taken place on the Wiegand Well within the last twelve months; the Wiegand Well has not been properly plugged in accordance with Statewide Rule 14(b)(2), 16 Texas Administrative Code § 3.14(b)(2). No plugging extension is in effect for the Wiegand Well.
20. Unplugged wellbores, in violation of Statewide Rule 14(b)(2), 16 Texas Administrative Code § 3.14(b)(2), are likely to cause pollution of usable quality ground water and surface water by serving as a conduit for the passage of oil, gas, saltwater, and other substances from one stratum or formation to another, or to the surface, or from the surface downward.
21. The District estimates that the Wiegand Well will cost the Commission approximately \$15,360.00 to plug.

**Mercer U.E. Jr., et al Lease, Well No. 2 (Drilling Permit No. 793228)**

22. Respondent is the designated operator of the Mercer U.E. Jr., et al Lease, Well No. 2 (Drilling Permit No. 793228), Fentress (1750) Field, Caldwell County, Texas (the "Mercer Well No. 2") pursuant to a Commission Form W-1 (Application for Permit to Drill, Recomplete, or Re-Enter) received August 1, 2014, and issued August 28, 2014.
23. Commission inspections conducted on September 19, 2016, March 8, 2017, September 21, 2017, November 16, 2017, and February 21, 2018, show that the sign required to be posted at the property entrance was not posted at the Mercer Well No. 2 property entrance.
24. Commission inspections conducted on July 1, 2016, September 19, 2016, March 8, 2017, September 21, 2017, November 16, 2017, and February 21, 2018, show that the sign required to be posted at the well site was not posted at the Mercer Well No. 2 well site.
25. Commission inspections conducted on July 1, 2016, September 19, 2016, March 8, 2017, September 21, 2017, November 16, 2017, and February 21, 2018, show that the sign required to be posted at the tank battery was not posted at the Mercer Well No. 2 tank battery.
26. The lack of signs and identification, as required by Statewide Rule 3, 16 Texas Administrative Code § 3.3(1)-(3), may cause confusion in the event of a pollution or safety violation, or another emergency; without correct operator or location information, efforts to contain and/or remediate the violation or emergency may be substantially delayed.
27. Commission inspections conducted on July 1, 2016, September 21, 2017, November 16, 2017, and February 21, 2018, show that the Mercer Well No. 2 had been completed. Commission records show no completion report on file for the Mercer U.E. Jr., et al Lease, Well No. 2 (Drilling Permit No. 793228).
28. Without a completion report, as required by Statewide Rule 16(b), 16 Texas Administrative Code § 3.16(b), the Commission cannot determine if a wellbore has been properly cased and cemented to protect usable quality waters from oil and salt water present in the wellbore.
29. Respondent has never reported production from the Mercer Well No. 2. The Mercer Well has been inactive for at least one year.

30. No workovers, re-entries, or subsequent operations have taken place on the Mercer Well No. 2 within the last twelve months; the Mercer Well No. 2 has not been properly plugged in accordance with Statewide Rule 14(b)(2), 16 Texas Administrative Code § 3.14. No plugging extension is in effect for the Mercer Well No. 2.
31. Unplugged wellbores, in violation of Statewide Rule 14(b)(2), 16 Texas Administrative Code § 3.14(b)(2), are likely to cause pollution of usable quality ground water and surface water by serving as a conduit for the passage of oil, gas, saltwater, and other substances from one stratum or formation to another, or to the surface, or from the surface downward.
32. The District estimates that the Mercer Well No. 2 will cost the Commission approximately \$15,360.00 to plug.

**Mercer U.E. Jr., et al Lease, Well No. 4 (Drilling Permit No. 793217)**

33. Respondent is the designated operator of the Mercer U.E. Jr., et al Lease, Well No. 4 (Drilling Permit No. 793217), Fentress (1750) Field, Caldwell County, Texas (the “Mercer Well No. 4”) pursuant to a Commission Form W-1 (Application for Permit to Drill, Recomplete, or Re-Enter) received August 1, 2014, and issued August 28, 2014.
34. Commission inspections conducted on July 1, 2016, September 19, 2016, March 8, 2017, September 21, 2017, November 16, 2017, and February 21, 2018, show that the sign required to be posted at the property entrance was not posted at the Mercer Well No. 4 property entrance.
35. Commission inspections conducted on July 1, 2016, September 19, 2016, March 8, 2017, September 21, 2017, November 16, 2017, and February 21, 2018, show that the sign required to be posted at the well site was not posted at the Mercer Well No. 4 well site.
36. Commission inspections conducted on July 1, 2016, September 19, 2016, March 8, 2017, September 21, 2017, November 16, 2017, and February 21, 2018, show that the sign required to be posted at the tank battery was not posted at the Mercer Well No. 4 tank battery.
37. The lack of signs and identification, as required by Statewide Rule 3, 16 Texas Administrative Code § 3.3(1)-(3), may cause confusion in the event of a pollution or safety violation, or another emergency; without correct operator or location information, efforts to contain and/or remediate the violation or emergency may be substantially delayed.
38. Commission inspections conducted on July 1, 2016, September 19, 2016, March 8, 2017, September 21, 2017, November 16, 2017, and February 21, 2018, show that the Mercer Well No. 4 had been completed. Commission records show no completion report on file for the Mercer U.E. Jr., et al Lease, Well No. 4 (Drilling Permit No. 793217).
39. Without a completion report, as required by Statewide Rule 16(b), 16 Texas Administrative Code § 3.16(b), the Commission cannot determine if a wellbore has been properly cased and cemented to protect usable quality waters from oil and salt water present in the wellbore.

40. Respondent has never reported production from the Mercer Well No. 4. The Mercer Well No. 4 has been inactive for at least one year.
41. No workovers, re-entries, or subsequent operations have taken place on the Mercer Well No. 4 within the last twelve months; the Mercer Well No. 4 has not been properly plugged in accordance with Statewide Rule 14(b)(2), 16 Texas Administrative Code § 3.14. No plugging extension is in effect for the Mercer Well No. 4.
42. Unplugged wellbores, in violation of Statewide Rule 14(b)(2), 16 Texas Administrative Code § 3.14(b)(2), are likely to cause pollution of usable quality ground water and surface water by serving as a conduit for the passage of oil, gas, saltwater, and other substances from one stratum or formation to another, or to the surface, or from the surface downward.
43. The District estimates that the Mercer Well No. 4 will cost the Commission approximately \$15,360.00 to plug.

### CONCLUSIONS OF LAW

1. Proper notice was issued to Respondent and all other persons legally entitled to notice.
2. The Commission has jurisdiction over Respondent pursuant to Texas Natural Resources Code §§ 81.051-.052, 91.101, and Chapters 85, 89, and 91.
3. Respondent is responsible for maintaining the subject properties in compliance with all applicable Commission rules and statutes. Tex. Nat. Res. Code § 85.052.
4. Respondent is in violation of Statewide Rules 3(1), 3(2), 3(3), 14(b)(2), and 16(b). 16 Tex. Admin. Code §§ 3.3(1), 3.3(2), 3.3(3), 3.14(b)(2), and 3.16(b).
5. The documented violations committed by Respondent are serious, a hazard to the public health and safety, and demonstrate a lack of good faith as defined by Texas Natural Resources Code § 81.0531(c).
6. Respondent is responsible for maintaining the subject properties in compliance with Statewide Rule 3(1), 16 Texas Administrative Code § 3.3(1), which requires that a sign be posted at the principal entrance to each property productive of oil, gas, or geothermal resources.
7. Respondent is responsible for maintaining the subject properties in compliance with Statewide Rule 3(2), 16 Texas Administrative Code § 3.3(2), which requires that a sign be posted at each well site productive of oil, gas, or geothermal resources.
8. Respondent is responsible for maintaining the subject properties in compliance with Statewide Rule 3(3), 16 Texas Administrative Code § 3.3(3), which requires that a sign be posted at or painted on each oil stock tank, remotely located satellite tank, or approved crude oil measuring facility (where tanks are not utilized).

9. Respondent is responsible for maintaining the subject properties in compliance with Statewide Rule 14(b)(2), 16 Texas Administrative Code § 3.14(b)(2), which requires that plugging operations on each dry or inactive well be commenced within a period of one year after drilling or operations cease and proceed with due diligence until completed, unless the operator is eligible for and obtains an extension of the plugging deadline.
10. Respondent is responsible for maintaining the subject properties in compliance with Statewide Rule 16(b), 16 Texas Administrative Code § 3.16(b), which requires that a completion report be filed no later than ninety days after completing a well or 150 days after drilling operations are complete, whichever is earlier.
11. Pursuant to Texas Natural Resources Code § 81.0531, the Commission may assess an administrative penalty against Respondent for the herein specified violations, up to \$10,000.00 a day per violation for each day the violation continues.
12. Respondent has a history of Statewide Rule violations, as detailed in Docket Nos. 01-0309655, 01-0309811, and 01-0309827. The Commission assessed between \$50,000.00 and \$100,000.00 in administrative penalties for the violations detailed in the above-specified dockets.
13. An assessed administrative penalty in the amount of **THIRTY-SEVEN THOUSAND DOLLARS (\$37,000.00)** is justified considering the facts and violations at issue and is assessed in accordance with the minimum penalty guideline set out in 16 Texas Administrative Code § 3.107.
14. Respondent violated Commission rules related to safety and the control of pollution. Any other organization in which an officer of this organization holds a position of ownership or control is subject to the restrictions detailed in Texas Natural Resources Code § 91.114(a)(2).

### ORDERING PROVISIONS

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

1. Higher Standard Oil Company, Inc. (Operator No. 385715) shall plug the N.L. Wiegand, Well No. 2 (Drilling Permit No. 786219), the Mercer U.E. Jr., et al Lease, Well No. 2 (Drilling Permit No. 793228), and the Mercer U.E. Jr., et al Lease, Well No. 4 (Drilling Permit No. 793217), and otherwise place the subject properties into compliance with Statewide Rules 3(1), 3(2), 3(3), 14(b)(2), and 16(b), 16 Texas Administrative Code §§ 3.3(1), 3.3(2), 3.3(3), 3.14(b)(2), 3.16(b), and any other applicable Commission rules and statutes.
2. Higher Standard Oil Company, Inc. (Operator No. 385715) shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **THIRTY-SEVEN THOUSAND DOLLARS (\$37,000.00)**.

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 Texas Government Code § 2001.142, by agreement under Texas Government Code § 2001.147, or by written Commission order issued pursuant to Texas Government Code § 2001.146(e). If a timely motion for rehearing 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 Texas Government 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.

Any other organization in which a current officer of this organization holds a position of ownership or control **shall be subject to the restriction in Texas Natural Resources 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.

All requested findings of fact and conclusions of law 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 6th day of August 2019.

**RAILROAD COMMISSION OF TEXAS**

(Signatures affixed by Default Master Order  
dated August 6, 2019)

JHM/bt