

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DOCKET NO. 00001493

ENFORCEMENT ACTION AGAINST ATWELL TECHNICAL SERVICES, INC. (OPERATOR NO. 036634) FOR VIOLATIONS OF STATEWIDE RULES ON THE PITTMAN, LAVER "572" LEASE (7B-24804), WELL NOS. 1, 10, 13, 14, 4, 5, 7, AND 9, SHACKELFORD COUNTY REGULAR FIELD, SHACKELFORD COUNTY, TEXAS

FINAL ORDER

The Railroad Commission of Texas ("Commission") finds that after statutory notice of the captioned enforcement proceeding Atwell Technical Services, Inc. ("Respondent"), 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 Texas Administrative Code § 1.25, and after being duly submitted to the Commissioners 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. 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.
2. The certified mail envelope containing the Original Complaint and Notice of Opportunity for Hearing addressed to the Respondent was returned to the Commission unopened on December 18, 2019. The first-class mail was not returned. Record of the delivery and return 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
3. On March 8, 2018, Respondent, a Corporation, filed a Form P-5 with the Commission reporting that its officer consists of the following individuals: Donald Ray Atwell, Bobette Atwell.
4. Donald Ray Atwell and Bobette Atwell were in positions of ownership or control of Respondent, as defined in Texas Natural Resources Code § 91.114, during the time period of the violations of Commission rules committed by Respondent.
5. Respondent designated itself to the Commission as the operator of the Pittman, Laver "572" (7B-24804) Lease, Well No(s). 1, 10, 13, 14, 4, 5, 7, and 9, by filing a Commission Form P-4 (Certificate of Compliance and Transportation Authority), effective January 1, 2008, approved February 26, 2008.
6. Commission District inspection reports made on January 11, 2019, and February 20, 2019, and the absence of reported production since January 1993 show that the Pittman, Laver

- “572” (7B-24804) Lease, Well Nos. 1, 4, 5, 7, 9, 10, 13, and 14, have been inactive for a period greater than one year. Production from the subject lease ceased on or before December 2016.
7. No workovers, re-entries, or subsequent operations have taken place on the subject well in this complaint within the last 12 months; the subject well has not been plugged; no plugging extensions are in effect for the subject well as allowed by Statewide Rule 15.
 8. Usable quality groundwater in the area can become contaminated by migrations or discharges of saltwater and other oil and gas waste from the subject well. Unplugged wellbores, in violation of Statewide Rule 14(b)(2), constitute a cognizable threat to the public health and safety because of the potential of pollution.
 9. The total estimated cost to the State for plugging the Pittman, Laver “572” (7B-24804) Lease, Well Nos. 1, 4, 5, 7, 9, 10, 13, and 14, is \$52,801.00.
 10. The Respondent has no prior history of violations of Commission Rules.

CONCLUSIONS OF LAW

1. The Commission properly noticed 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 Pittman, Laver “572” (7B-24804) Lease, Well Nos. 1, 4, 5, 7, 9, 10, 13, and 14 in compliance with all applicable Commission rules and Texas Natural Resource Code §§ 89 and 91.
4. Respondent is responsible for maintaining the subject lease in compliance with Statewide Rule 14(b)(2), which requires that plugging operations on each dry or inactive well shall be commenced within a period of one year after drilling or operations cease and shall proceed with due diligence until completed, unless the operator is eligible for and obtains an extension of the plugging deadline.
5. Respondent is in violation of Statewide Rule 14(b)(2). 16 Tex. Admin. Code § 3.14(b)(2).
6. 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 Texas Natural Resource Code § 81.0531(c).
7. Pursuant to Texas Natural Resource 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.

8. An assessed administrative penalty in the amount of **TWENTY THOUSAND FOUR HUNDRED TWENTY-NINE (\$20,429.00)** is justified considering the facts and violations at issue.

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 plug the Pittman, Laver "572" (7B-24804) Lease, Well Nos. 1, 4, 5, 7, 9, 10, 13, and 14, in compliance with Statewide Rule 14(b)(2) and otherwise place the subject leases in compliance with Statewide Rules 14(b)(2) 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 **TWENTY THOUSAND FOUR HUNDRED TWENTY-NINE (\$20,429.00)**

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 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 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.

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

RAILROAD COMMISSION OF TEXAS

(Signatures affixed by Default Master Order dated JUN 16 2020)

MAG/wcd