

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

**OIL & GAS DOCKET NO. 03-0259906**

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**COMMISSION CALLED HEARING ON APPLICATION OF L & B PRODUCTION TO SHOW  
CAUSE WHY APPLICANT IS NOT LEGALLY REQUIRED TO REMEDIATE POLLUTION ON  
THE HOOKS STERLING LEASE, BATSON NEW FIELD, HARDIN COUNTY, TEXAS**

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**FINAL ORDER**

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by an examiner and there has been 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, those Findings of Fact and Conclusions of Law are hereby adopted and made a part hereof by reference. The Commission makes the following additional Findings of Fact and Conclusions of Law:

**Additional Findings of Fact**

16. L & B had physical operatorship and control of the wells on the Hooks Sterling (17938) Lease when operations on the Lease ceased in September 2003.
17. L & B presented no evidence to establish that any other entity occupied the Hooks Sterling (17938) Lease or exercised physical operatorship or control of the wells on the Lease subsequent to September 2003.

**Additional Conclusions of Law**

7. Pursuant to Statewide Rule 14(c)(2) [16 TEX. ADMIN. CODE §3.14(c)(2)], L & B Production is presumed to be the entity responsible for the physical operation and control of wells on the Hooks Sterling (17938) Lease and to be the entity responsible for plugging the wells on the Lease in accordance with the requirements of Statewide Rule 14, including Rule 14(d)(12).
8. L & B Production did not rebut the presumption of Statewide Rule 14(c)(2).

It is accordingly **ORDERED** that all relief sought in this docket by L & B Production is hereby **DENIED**. L & B Production is **ORDERED** to clean up the Hooks Sterling (17938) Lease, Batson New Field, Hardin County, Texas, in compliance with Statewide Rules 8, 14(d)(12) and 91 within thirty (30) days from the date this order becomes final. It is further **ORDERED** that in the event L&B Production fails or refuses to comply with this order, the Commission may proceed to use money from the oil-field cleanup fund to clean up and remediate the Hooks Sterling (17938) Lease, Batson New Field, Hardin County, Texas, foreclose on the lien provided by §91.115 of the Texas Natural Resources Code, and request the Attorney General to file suit against L&B Production to recover any unreimbursed cleanup costs.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party of 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 90 days from the date the parties are notified of the order.

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

Done this 11th day of March 2009, in Austin, Texas.

**RAILROAD COMMISSION OF TEXAS**

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**CHAIRMAN VICTOR G. CARRILLO**

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**COMMISSIONER ELIZABETH A. JONES**

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**COMMISSIONER MICHAEL L. WILLIAMS**

**ATTEST:**

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**SECRETARY**