

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

OIL & GAS DOCKET NO. 7B-0244921

ENFORCEMENT ACTION AGAINST MORTON VALLEY OIL & GAS, INC. (OPERATOR NO. 589961) FOR VIOLATIONS OF STATEWIDE RULES ON THE LOIS MEAZELL "E" LEASE, WELL NO. 1 (RRC ID NO. 111285) AND THE CASEY MEAZELL "F" (15611) LEASE, WELL NO. 1, LAKE LEON (DUFFER) FIELD, EASTLAND COUNTY, TEXAS

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, Findings of Fact Nos. 1-8 and 10-21, and Conclusions of Law Nos. 1-11 in the Proposal for Decision are hereby adopted and made a part hereof by reference. In addition, the Commission makes the following corrected finding of fact:

CORRECTED FINDING OF FACT NO. 9

9. On the occasion of District Office inspections of the Lois Meazell "E" Lease on July 15 and September 2, 2005, and February 3 and April 21, 2006, Morton had caused or allowed a dry workover pit measuring 20' x 15' x 3' at Well No. 1 to remain open. Well No. 1 had been inactive since April 30, 2002.

It is accordingly **ORDERED** that, within 30 days from the day immediately following the date this order becomes final:

1. Morton Valley Oil & Gas, Inc., shall plug in compliance with Commission rules, the Lois Meazell "E" Lease, Well No. 1 (RRC ID No. 111285), Lake Leon (Duffer) Field, Eastland County, Texas, and otherwise place the said lease into compliance with all Commission rules; and
2. Morton Valley Oil & Gas, Inc., shall remit to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **SIX THOUSAND DOLLARS (\$6,000.00)**.

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 8th day of August, 2006, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN ELIZABETH A. JONES

COMMISSIONER MICHAEL L. WILLIAMS

COMMISSIONER VICTOR G. CARRILLO

ATTEST:

SECRETARY