

**RAILROAD COMMISSION OF TEXAS  
OFFICE OF GENERAL COUNSEL  
OIL AND GAS SECTION**

**OIL AND GAS DOCKET NO. 7B-0232884**

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**ENFORCEMENT ACTION FOR ALLEGED VIOLATIONS COMMITTED BY RICHARD W. SHAHAN, SOLE PROPRIETOR (768605), AS TO THE B. ARMSTRONG (19388) LEASE, WELL NO. 1, JENNIFER (STRAWN VALASEK) FIELD, HASKELL COUNTY, TEXAS**

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**FINAL ORDER**

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the examiner on January 6, 2003, and that the respondent, Richard W. Shahan, Sole Proprietor (768605), failed to appear or respond to the notice. Pursuant to § 1.49 of the Commission's General Rules of Practice and Procedure [Tex. R. R. Comm'n, 16 TEX. ADMIN. CODE § 1.49] and after being duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas, the Commission makes the following findings of fact and conclusions of law.

**FINDINGS OF FACT**

1. Richard W. Shahan, Sole Proprietor (768605), ("Respondent") was given Notice of Opportunity for Hearing by certified mail, addressed to the most recent P-5 address on the Form P-5 Organization Report, which was returned to the Commission marked "attempted not known."
2. The returned certified receipt containing the Original Complaint and the Notice of Opportunity for Hearing was returned to the Commission marked "attempted not known" on November 22, 2002. The certified receipt has been on file with the Commission for 15 days, exclusive of the day of receipt and day of issuance.
3. Respondent designated itself to the Commission as the operator of Well No. 1 on the B. Armstrong (19388) Lease ("subject well"/"subject lease") by filing a Form P-4 (Producer's Transportation Authority and Certificate of Compliance) with the Commission effective on September 1, 1998.
4. According to Commission records the Respondent's Form P-5 (Organization Report) became inactive on April 20, 1999. Respondent paid a fee of \$100.00 as financial assurance at the time of its last Form P-5 renewal.
5. The subject well was plugged on or about July 7, 1999.

6. The subject well has been plugged but not in accordance with, Statewide Rule 14.
7. Commission district office inspections were conducted on April 3, 2002, May 30, 2002, August 12, 2002 and September 5, 2002 for the B. Armstrong (19388) Lease. Respondent had caused or allowed a dismantled pump jack with cement pads, a separator with cement pad, various scrap pipe, t-post and barbed wire, among other items, to remain on the lease, although Well No. 1 on the lease was plugged and abandoned more than 120 days.
8. The Respondent has not demonstrated good faith since it failed to place the subject lease in compliance after being notified of the violations by the District Office and failed to appear at the hearing to explain its inaction.

### **CONCLUSIONS OF LAW**

1. Proper notice was issued by the Railroad Commission to respondent and to all other appropriate persons legally entitled to notice.
2. All things necessary to the Commission attaining jurisdiction over the subject matter and the parties in this hearing have been performed or have occurred.
3. Respondent is in violation of Commission Statewide Rule 14(d)(12).
4. Respondent is responsible for maintaining the subject lease in compliance with Rule 14(d)(12), which requires that the operator shall remove the dismantled pump jack, the separator, all cement pads, various scrap pipe, t-post, barbed wire and other loose junk within 120 days after plugging work is complete.
5. Respondent is responsible for maintaining the subject lease in compliance with all applicable Commission rules and for properly plugging the subject well according to Statewide Rules 14, 58, and 79 and Chapters 89 and 91 of the Texas Natural Resources Code.
6. The documented violations committed by the respondent constitute acts deemed serious, a hazard to the public health, and demonstrate a lack of good faith pursuant to TEX. NAT. RES. CODE ANN. §81.0531(c) (Vernon 2001).

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

1. Richard W. Shahan, Sole Proprietor (768605), shall place the B. Armstrong (19388) Lease, Well No. 1, Jennifer (Strawn Valasek) Field, Haskell County, Texas in compliance with applicable Commission rules and regulations; and
2. Richard W. Shahan, Sole Proprietor (768605), shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **FIVE HUNDRED DOLLARS (\$500.00)**.

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 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), 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 order is served on the parties.

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 April 2003.

**RAILROAD COMMISSION OF TEXAS**

(Signatures affixed by Default Master Order dated April 8, 2003)

JD/sa