

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

OIL AND GAS DOCKET NO. 7B-0236257

ENFORCEMENT ACTION FOR ALLEGED VIOLATIONS COMMITTED BY GR COMPLETION SERVICES, INC. (319475), AS TO THE HENDERSON LEASE, WELL NO. 1 (163927), WEATHERFORD, SE (2150) FIELD, PARKER COUNTY, TEXAS

FINAL ORDER

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the examiner on February 26, 2004, and that the respondent, GR Completion Services, Inc. (319475), 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. GR Completion Services, Inc. (319475), ("Respondent") was given First Amended 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 "unclaimed."
2. The returned certified receipt containing the First Amended Original Complaint and the Notice of Opportunity for Hearing was returned to the Commission marked "unclaimed" on February 2, 2003. The certified receipt has been on file with the Commission for 15 days, exclusive of the day of receipt and day of issuance.
3. On October 23, 2000, Respondent, a Corporation, filed an Organization Report (Form P-5) with the Commission reporting that its officers consisted of the following individual(s): Greg Robl; President.
4. Greg Robl, was a person in a position of ownership or control of respondent, as defined by Texas Natural Resources Code Section 91.114, during the time period of the violations of Commission rules committed by respondent.
5. The violations of Commission rules committed by respondent are related to safety and the control of pollution.
6. Respondent designated itself to the Commission as the operator of Well No. 1 (163927) on the Henderson Lease ("subject well"/"subject lease") by filing a Form P-4 (Producers Transportation Authority and Certificate of Compliance) with the Commission effective on July 15, 1997.

7. According to Commission records the Respondent's Form P-5 (Organization Report) became inactive on October 23, 2000. Respondent paid a fee of \$100.00 as its Financial Assurance at the time of its last Form P-5 renewal.
8. The subject well is plugged.
9. Commission district office inspections were conducted on March 5, 2003, April 21, 2003, June 2, 2003 and July 17, 2003 for the Henderson Lease. Respondent failed to backfill and compact a dry reserve pit measuring approximately 80' x 80' x 5' deep within 120 days after the well was plugged. A Commission district office inspection was conducted on December 18, 2003 indicating that the pit had been filled.
10. Commission district office inspections were conducted on April 21, 2003, June 2, 2003 and July 17, 2003 for the Henderson Lease. Respondent had caused or allowed a discharge of oil which affected an area measuring approximately 24' x 6'-3" x 1"-3" deep at the location of plugged out Well No. 1. A Commission district office inspection conducted on August 25, 2003 indicated that the area had been cleaned.
11. No permit was been issued to the Respondent for the discharge of oil and gas wastes on or from the subject lease.
12. The unpermitted discharges of oil and gas wastes or other substances or materials on the subject lease constitute a hazard to public health and safety because leaks and spills of oil and produced waters onto soil can migrate into surface water bodies causing contamination or can leach into the ground and percolate through soil into groundwater supplies.
13. The Respondent did not demonstrate good faith since it failed to plug or otherwise place the subject lease and subject well 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 was in violation of Commission Statewide Rules 8(d)(1) and 14(d)(12).
4. Respondent was responsible for maintaining the subject lease in compliance with Rule 8(d)(1), which prohibits the discharge of oil and gas wastes without a permit.
5. Respondent was responsible for maintaining the subject lease in compliance with Rule 14(d)(2), which requires that the operator shall close all pits in accordance with the provisions of §3.8 of this title (relating to Water Protection (Statewide Rule 8)).

6. As a person in a position of ownership or control of respondent at the time respondent violated Commission rules related to safety and the control of pollution, Greg Robl, and any other organization in which he may hold a position of ownership or control, shall be subject to the restrictions of Texas Natural Resource Code Section 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 sooner, if 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.
7. Respondent was responsible for maintaining the subject lease in compliance with all applicable Commission rules according to Statewide Rules 14, 58, and 79 and Chapters 89 and 91 of the Texas Natural Resources Code.
8. 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. GR Completion Services, Inc. (319475), shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **ONE THOUSAND SIX HUNDRED DOLLARS (\$1,600.00)**.

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 11th day of May 2004.

RAILROAD COMMISSION OF TEXAS

(Signatures affixed by Default Master Order dated May 11, 2004)

MH/sa