

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 09-0287443

ENFORCEMENT ACTION FOR ALLEGED VIOLATIONS COMMITTED BY CASE, CLIFFORD WAINE, SOLE PROPRIETOR, CASE, C.W. (139165) AS TO THE HOLSONBAKE, R.A. MRS. (09856) LEASE, WELL NOS. 1 THRU 13, AND THE HOLSONBAKE, R.A. "B" (23604) LEASE, WELL NOS. 1, 7, 8 AND 11, WICHITA COUNTY REGULAR FIELD, WICHITA COUNTY, TEXAS

FINAL ORDER

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the examiner on June 5, 2014 and that the respondent, Case, Clifford Waine, Sole Proprietor, Case, C.W. (139165), failed to appear or respond to the Notice of Opportunity for Hearing. 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. Case, Clifford Waine, Sole Proprietor, Case, C.W. (139165), ("Respondent"), was given Notice of Opportunity for Hearing by certified mail, addressed to the most recent Form P-5 (Organization Report) address.
2. The certified receipt containing the Original Complaint and the Notice of Opportunity for Hearing, was signed and returned to the Commission on April 11, 2014. The certified receipt is included in the file and has been on file with the Commission for 15 days, exclusive of the day of receipt and day of issuance.
3. On August 22, 2001, Respondent, filed an Organization Report (Form P-5) with the Commission reporting that its sole proprietor consisted of the following individual(s): Clifford Waine Case.
4. Clifford Waine Case, as sole proprietor, was a 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.

OIL AND GAS DOCKET NO. 09-0287443

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 Nos. 1 thru 13 on the Holsonbake, R.A. Mrs. (09856)) Lease and Well Nos. 1, 7, 8 and 11 on the Holsonbake, R.A. "B" (23604) Lease ("subject wells"/"subject leases") by filing P-4 Forms (Producers Transportation Authority and Certificate of Compliance) effective on October 19, 1991 for both of the leases and wells.
7. Respondent's P-5 (Organization Report) became delinquent on August 1, 2002. Respondent had \$100 as its financial assurance at the time of its last P-5 renewal.
8. According to Commission records the last well on the Holsonbake, R.A. Mrs. (09856) Lease was plugged in August 2002. Commission District inspections were conducted on April 8, 2013 for the Holsonbake, R.A. Mrs. (09856) Lease. There were four steel tanks, old steel and ploy lines, under pull units, electric poles, power units and miscellaneous steel equipment remaining on the lease. A follow up inspection conducted on July 5, 2013 revealed that although the tanks and some of the miscellaneous junk has been removed, the flow lines, electric boxes and miscellaneous steel remain on the lease.
9. According to Commission records, the last well on the Holsonbake, R.A. "B" (23604) Lease was plugged in August 2002. Commission District inspections were conducted on April 8, 2013 and July 5, 2013 for the Holsonbake, R.A. "B" (23604) Lease. There were two steel tanks and miscellaneous steel and poly pipe remaining on the lease.
10. The Respondent has not demonstrated good faith since it failed to place the subject leases and subject wells in compliance after being notified of the violation 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 Statewide Rule 14(d)(12), which requires that the operator shall fill the rathole, mouse hole, and cellar, and shall empty all tanks, vessels, related piping and flowlines that will not be actively used in the continuing operations of the lease within 120 days after plugging work is completed.

OIL AND GAS DOCKET NO. 09-0287443

5. Respondent is responsible for maintaining the subject leases and subject wells 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.
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.
7. 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, Clifford Waine Case, and any other organization in which she 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 until 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, whichever is earlier.

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

1. Case, Clifford Waine, Sole Proprietor, Case, C.W. (139165), shall place the Holsonbake, R.A. Mrs. (09856) Lease, Well Nos. 1 thru 13, and the Holsonbake, R.A. "B" (23604) Lease, Well Nos. 1, 7, 8 and 11, Wichita County Regular Field, Wichita County, Texas in compliance with applicable Commission rules and regulations; and
2. Case, Clifford Waine, Sole Proprietor, Case, C.W. (139165), shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **SEVEN THOUSAND DOLLARS (\$7,000.00)**.

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 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 parties are notified of the order.

OIL AND GAS DOCKET NO. 09-0287443

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 27th day of January 2015.

RAILROAD COMMISSION OF TEXAS

(Signatures affixed by Default Master Order dated January 27, 2015)

TJJ/sa