

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

OIL AND GAS DOCKET NO. 7B-0260513

ENFORCEMENT ACTION FOR ALLEGED VIOLATIONS COMMITTED BY CATHERINE CAUBLE COOK D/B/A JENN OIL (431247), ALBANY I.S.D. (12942) LEASE, WELL NOS. 1, 2 AND 3, SHACKELFORD COUNTY REGULAR FIELD, SHACKELFORD COUNTY, TEXAS

FINAL ORDER

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the examiner on December 3, 2009, and that the respondent, Catherine Cauble Cook d/b/a Jenn Oil (431247), failed to appear or respond to the Notice of 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. Catherine Cauble Cook d/b/a Jenn Oil (431247), ("Respondent") was given Notice of 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 Original Complaint and the Notice of Hearing mailed to Respondents, most recent P-5 address, was returned to the Commission marked "unclaimed" on December 2, 2009. 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 May 9, 2008, Respondent filed an Organization Report (Form P-5) with the Commission reporting that its officers consisted of the following individual(s): Catherine Cauble Cook; Owner.
4. Catherine Cauble Cook, 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. Respondent designated itself to the Commission as the operator of Well Nos. 1, 2 and 3 on the Albany I.S.D. (12942) Lease ("subject wells"/"subject lease") by filing a Form P-4 (Producer's Transportation Authority and Certificate of Compliance) with the Commission that became effective on March 1, 1996.
6. According to Commission records the Respondent's Form P-5 (Organization Report) is active. Respondent has a \$6,900.00 Letter of Credit as its financial assurance.
7. On July 31, 2006, respondent filed a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of June 2006, with knowledge that the information reported was false.
 - A. On the June 2006 PR Form, the production on hand at the beginning of the month was listed at 75 barrels, production for the month was listed at 1 barrel, and the production on hand at the end of the month was listed at 76 barrels.
 - B. In a September 14, 2006 inspection, the tanks were gauged, and indicated that the 210 barrel capacity east tank contained only 1' 4.5" of basic sediment and water, and the 210 barrel capacity west tank contained only 10" of basic sediment and water. Follow up inspections on November 2, 2006, January 18, 2007, March 26, 2007, May 22, 2007, July 5, 2007, and October 24, 2007 reported the same conditions.
 - C. The inspection on September 14, 2006 also indicated that there was no electricity connected to the pumping units. Furthermore, Well Nos. 1 and 2 had no flowlines to or from the wells. Well No. 3 had its casing open to the atmosphere, and had no electric motor.
8. On August 31, 2006, respondent filed a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of July 2006, with knowledge that the information reported was false.
 - A. On the July 2006 PR Form, the production on hand at the beginning of the month was listed at 76 barrels, no production for July 2006 was reported, and the production on hand at the end of the month remained listed at 76 barrels.
 - B. In a September 14, 2006 inspection, the tanks were gauged, and indicated that the 210 barrel capacity east tank contained only 1' 4.5" of basic sediment and water, and the 210 barrel capacity west tank contained only 10" of basic sediment and water. Follow up inspections on November 2, 2006, January 18, 2007, March 26, 2007, May 22, 2007, July 5, 2007, and October 24, 2007 reported the same conditions.
 - C. The inspection on September 14, 2006 also indicated that there was no electricity connected to the pumping units. Furthermore, Well Nos. 1 and 2 had no flowlines to or from the wells. Well No. 3 had its casing open to the atmosphere, and had no electric motor.

9. On September 30, 2006, respondent filed a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of August 2006, with knowledge that the information reported was false.
 - A. On the August 2006 PR Form, the production on hand at the beginning of the month was listed at 76 barrels, no production for August 2006 was reported, and the production on hand at the end of the month remained listed at 76 barrels.
 - B. In a September 14, 2006 inspection, the tanks were gauged, and indicated that the 210 barrel capacity east tank contained only 1' 4.5" of basic sediment and water, and the 210 barrel capacity west tank contained only 10" of basic sediment and water. Follow up inspections on November 2, 2006, January 18, 2007, March 26, 2007, May 22, 2007, July 5, 2007, and October 24, 2007 reported the same conditions.
 - C. The inspection on September 14, 2006 also indicated that there was no electricity connected to the pumping units. Furthermore, Well Nos. 1 and 2 had no flowlines to or from the wells. Well No. 3 had its casing open to the atmosphere, and had no electric motor.
10. On October 31, 2006, respondent filed a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of September 2006, with knowledge that the information reported was false.
 - A. On the September 2006 PR Form, the production on hand at the beginning of the month was listed at 76 barrels, no production for September 2006 was reported, and the production on hand at the end of the month remained listed at 76 barrels.
 - B. In a September 14, 2006 inspection, the tanks were gauged, and indicated that the 210 barrel capacity east tank contained only 1' 4.5" of basic sediment and water, and the 210 barrel capacity west tank contained only 10" of basic sediment and water. Follow up inspections on November 2, 2006, January 18, 2007, March 26, 2007, May 22, 2007, July 5, 2007, and October 24, 2007 reported the same conditions.
 - C. The inspection on September 14, 2006 also indicated that there was no electricity connected to the pumping units. Furthermore, Well Nos. 1 and 2 had no flowlines to or from the wells. Well No. 3 had its casing open to the atmosphere, and had no electric motor.
11. On November 30, 2006, respondent filed a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of October 2006, with knowledge that the information reported was false.
 - A. On the October 2006 PR Form, the production on hand at the beginning of the month was listed at 76 barrels, no production for October 2006 was reported, and the production on hand at the end of the month remained listed at 76 barrels.

- B. In a September 14, 2006 inspection, the tanks were gauged, and indicated that the 210 barrel capacity east tank contained only 1' 4.5" of basic sediment and water, and the 210 barrel capacity west tank contained only 10" of basic sediment and water. Follow up inspections on November 2, 2006, January 18, 2007, March 26, 2007, May 22, 2007, July 5, 2007, and October 24, 2007 reported the same conditions.
 - C. The inspection dated September 14, 2006 also indicated that there was no electricity connected to the pumping units. Furthermore, Well Nos. 1 and 2 had no flowlines to or from the wells. Well No. 3 had its casing open to the atmosphere, and had no electric motor.
12. On December 31, 2006, respondent filed a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of November 2006, with knowledge that the information reported was false.
- A. On the November 2006 PR Form, the production on hand at the beginning of the month was listed at 76 barrels, no production for November 2006 was reported, and the production on hand at the end of the month remained listed at 76 barrels.
 - B. In a September 14, 2006 inspection, the tanks were gauged, and indicated that the 210 barrel capacity east tank contained only 1' 4.5" of basic sediment and water, and the 210 barrel capacity west tank contained only 10" of basic sediment and water. Follow up inspections on November 2, 2006, January 18, 2007, March 26, 2007, May 22, 2007, July 5, 2007, and October 24, 2007 reported the same conditions.
 - C. The inspection dated September 14, 2006 also indicated that there was no electricity connected to the pumping units. Furthermore, Well Nos. 1 and 2 had no flowlines to or from the wells. Well No. 3 had its casing open to the atmosphere, and had no electric motor.
13. On May 7, 2007, respondent filed a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of December 2006, with knowledge that the information reported was false.
- A. On the December 2006 PR Form, the production on hand at the beginning of the month was listed at 76 barrels, no production for December 2006 was reported, and the production on hand at the end of the month remained listed at 76 barrels.
 - B. In a September 14, 2006 inspection, the tanks were gauged, and indicated that the 210 barrel capacity east tank contained only 1' 4.5" of basic sediment and water, and the 210 barrel capacity west tank contained only 10" of basic sediment and water. Follow up inspections on November 2, 2006, January 18, 2007, March 26, 2007, May 22, 2007, July 5, 2007, and October 24, 2007 reported the same conditions.

- C. The inspection dated September 14, 2006 also indicated that there was no electricity connected to the pumping units. Furthermore, Well Nos. 1 and 2 had no flowlines to or from the wells. Well No. 3 had its casing open to the atmosphere, and had no electric motor.
14. On May 7, 2007, respondent filed a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of January 2007, with knowledge that the information reported was false.
- A. On the January 2007 PR Form, the production on hand at the beginning of the month was listed at 76 barrels, no production for January 2007 was reported, and the production on hand at the end of the month remained listed at 76 barrels.
 - B. In a September 14, 2006 inspection, the tanks were gauged, and indicated that the 210 barrel capacity east tank contained only 1' 4.5" of basic sediment and water, and the 210 barrel capacity west tank contained only 10" of basic sediment and water. Follow up inspections on November 2, 2006, January 18, 2007, March 26, 2007, May 22, 2007, July 5, 2007, and October 24, 2007 reported the same conditions.
 - C. The inspection dated September 14, 2006 also indicated that there was no electricity connected to the pumping units. Furthermore, Well Nos. 1 and 2 had no flowlines to or from the wells. Well No. 3 had its casing open to the atmosphere, and had no electric motor.
15. On May 7, 2007, respondent filed a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of February 2007, with knowledge that the information reported was false.
- A. On the February 2007 PR Form, the production on hand at the beginning of the month was listed at 76 barrels, no production for February 2007 was reported, and the production on hand at the end of the month remained listed at 76 barrels.
 - B. In a September 14, 2006 inspection, the tanks were gauged, and indicated that the 210 barrel capacity east tank contained only 1' 4.5" of basic sediment and water, and the 210 barrel capacity west tank contained only 10" of basic sediment and water. Follow up inspections on November 2, 2006, January 18, 2007, March 26, 2007, May 22, 2007, July 5, 2007, and October 24, 2007 reported the same conditions.
 - C. The inspection dated September 14, 2006 also indicated that there was no electricity connected to the pumping units. Furthermore, Well Nos. 1 and 2 had no flowlines to or from the wells. Well No. 3 had its casing open to the atmosphere, and had no electric motor.

16. On May 7, 2007, respondent filed a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of March 2007, with knowledge that the information reported was false.
 - A. On the March 2007 PR Form, the production on hand at the beginning of the month was listed at 76 barrels, no production for March 2007 was reported, and the production on hand at the end of the month remained listed at 76 barrels.
 - B. In a September 14, 2006 inspection, the tanks were gauged, and indicated that the 210 barrel capacity east tank contained only 1' 4.5" of basic sediment and water, and the 210 barrel capacity west tank contained only 10" of basic sediment and water. Follow up inspections on November 2, 2006, January 18, 2007, March 26, 2007, May 22, 2007, July 5, 2007, and October 24, 2007 reported the same conditions.
 - C. The inspection dated September 14, 2006 also indicated that there was no electricity connected to the pumping units. Furthermore, Well Nos. 1 and 2 had no flowlines to or from the wells. Well No. 3 had its casing open to the atmosphere, and had no electric motor.
8. On September 28, 2006, December 7, 2006, April 4, 2007, June 27, 2007, and October 29, 2007, the District Office sent correspondence to Respondent requesting an explanation for the discrepancy between the putative production on hand and the tank gauge measurements. No response was received to the correspondence sent by the District Office until January 17, 2008.
17. Well Nos. 1, 2 and 3 on the Albany I.S.D. (12942) Lease were plugged on August 7, 2009.

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 violated Texas Natural Resources Code §91.143 by filing on July 31, 2006, a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of June 2006 which falsely reported the amount of oil present in the tank battery.
4. Respondent violated Texas Natural Resources Code §91.143 by filing on August 31, 2006, a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of July 2006 which falsely reported the amount of oil present in the tank battery.

5. Respondent violated Texas Natural Resources Code §91.143 by filing on September 30, 2006, a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of August 2006 which falsely reported the amount of oil present in the tank battery.
6. Respondent violated Texas Natural Resources Code §91.143 by filing on October 31, 2006, a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of September 2006 which falsely reported the amount of oil present in the tank battery.
7. Respondent violated Texas Natural Resources Code §91.143 by filing on November 30, 2006, a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of October 2006 which falsely reported the amount of oil present in the tank battery.
8. Respondent violated Texas Natural Resources Code §91.143 by filing on December 31, 2006, a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of November 2006 which falsely reported the amount of oil present in the tank battery.
9. Respondent violated Texas Natural Resources Code §91.143 by filing on May 7, 2007, a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of December 2007 which falsely reported the amount of oil present in the tank battery.
10. Respondent violated Texas Natural Resources Code §91.143 by filing on May 7, 2007, a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of January 2007 which falsely reported the amount of oil present in the tank battery.
11. Respondent violated Texas Natural Resources Code §91.143 by filing on May 7, 2007, a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of February 2007 which falsely reported the amount of oil present in the tank battery.
12. Respondent violated Texas Natural Resources Code §91.143 by filing on May 7, 2007, a Commission Form PR (Monthly Production Report) to report production on the Albany I.S.D. (12942) Lease for the month of March 2007 which falsely reported the amount of oil present in the tank battery.

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

1. Catherine Cauble Cook d/b/a Jenn Oil (431247) , shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **TEN THOUSAND DOLLARS (\$10,000.00)**.

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.

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 20th day of April 2010.

RAILROAD COMMISSION OF TEXAS

(Signatures affixed by Default Master Order dated April 20, 2010)

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