RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 03-0267053

ENFORCEMENT ACTION AGAINST RANCH EXPLORATION VENTURES, LLC (OPERATOR NO. 690535) FOR VIOLATIONS OF STATEWIDE RULES IN THE OPERATION OF RANCHO CALI LEASE, WELL NO. 2 (DRILLING PERMIT NO. 679429), BROOKSHIRE FIELD, WALLER COUNTY

FINAL ORDER

The Commission finds that after statutory notice the captioned enforcement proceedings were heard by the examiner on May 24, 2012. The examiner has 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, those Findings of Fact and Conclusions of Law are hereby adopted and made a part hereof by reference.

It is accordingly ORDERED that, within 30 days from the day immediately following the date this order becomes final, Ranch Exploration Ventures, LLC (Operator. No. 690535) shall:

1.) properly plug or otherwise place in compliance with Commission rules the Rancho Cali Lease, Well No. 2 (Drilling Permit No. 679429) Brookshire Field, Waller County, Texas; and

2.) de-water, backfill and compact in accordance with Commission rules that reserve pit associated with the Rancho Cali Lease, Well No. 2 (Drilling Permit No. 679429) Brookshire Field, Waller County, Texas; and

3.) remit to the Railroad Commission of Texas, for disposition as provided by law, a civil penalty in the amount of FOUR THOUSAND NINE HUNDRED AND EIGHTY-FIVE DOLLARS ($4,985.00).

It is also ORDERED that Finding of Fact No. 28 is hereby amended as follows:

28. No such proof was received and the record was closed on June 21, 2012.
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 3 days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest within such 20-day period after the party’s presumed notice, this order shall not become final until such motion is overruled, or if rehearing 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 in accordance with TEX. GOV’T CODE §2001.144.

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.

ENTERED in Austin, Texas on this 20th day of November, 2012.

RAILROAD COMMISSION OF TEXAS

[Signatures]

CHAIRMAN BARRY T. SMITHERMAN

COMMISSIONER DAVID PORTER

COMMISSIONER BUDDY GARCIA

ATTEST:

[Signatures]

SECRETARY