RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
HEARINGS SECTION

OIL & GAS DOCKET NO. 06-0234259

ENFORCEMENT ACTION AGAINST CHAPARRAL OPERATING, INC. FOR VIOLATIONS OF STATEWIDE RULES ON THE WILLIS UNIT (05968) LEASE, WELL NOS. 102W, 103W, 104W, 201W, 202W, 1021W, AND 1022W, RODESSA (DEES YOUNG) FIELD, IN CASS COUNTY, TEXAS.

FINAL ORDER

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the examiner who 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 that Chaparral Operating, Inc. shall:

1) Plug Well Nos. 102W, 103W, 104W, 201W, 202W, 1021W, and 1022W on the Willis Unit (05968) Lease, Rodeessa (Dees Young) Field, in Cass County, Texas; and,

2) Pay an administrative penalty of TWENTY SEVEN THOUSAND TWO HUNDRED FIFTY DOLLARS ($27,250.00).

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 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 order is served on the parties.

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 otherwise 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 22nd day of July, 2004, in Austin, Texas.

RAILROAD COMMISSION OF TEXAS

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CHAIRMAN VICTOR G. CARRILLO

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COMMISSIONER CHARLES R. MATTHEWS

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COMMISSIONER MICHAEL L. WILLIAMS

ATTEST: