RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL AND GAS DOCKET NO. 05-0299855

ENFORCEMENT ACTION AGAINST K & D WATER WORKS, LLC
(OPERATOR NO. 448763) FOR VIOLATIONS OF STATEWIDE RULES ON THE
K & D WATER WORKS BUFFALO YARD, WASHOUT PIT, PERMIT NOS.
011422A AND 011422B, FREEDOM FIELD, LEON COUNTY, TEXAS

FINAL ORDER

The Commission finds that after statutory notice the captioned proceedings were heard by an
Administrative Law Judge on February 23, 2017. The Administrative Law Judge 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, the Findings of Fact and Conclusions of Law are hereby adopted and made a part
hereof by reference.

IT IS HEREBY ORDERED that not later than the thirtieth day following the date on
which this order becomes final under law K & D Water Works, L.L.C. (Operator No. 448763)
shall pay to the Railroad Commission of Texas an administrative penalty in the amount of
$8,175.

It is further ORDERED that not later than the thirtieth day following the date on which this
order becomes final under law K & D Water Works, L.L.C. (Operator No. 448763) shall
reimburse the Railroad Commission of Texas in the amount of $10,557.18 for incurred
remediation costs.

It is further ORDERED that K & D Water Works, L.L.C. (Operator No. 448763) shall bring
the K & D Water Works Buffalo Yard, Washout Pit, Permit Nos. 011422A and 011422B,
Freedom Field, Leon County, Texas, fully into compliance with all rules of the Commission
within 30 days of the date this order becomes final.

It is further ORDERED that Robert Neil Davis, Patricia Ann Davis, and each person who
holds a position of ownership or control in K & D Water Works, L.L.C. (Operator No.
448763) shall be subject to the restrictions of TEX. NAT. RES. CODE §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 cleanup costs 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.

It is further ORDERED by the Commission that this order shall not be final and effective until 25 days after the Commission’s order is signed, unless the time for filing a motion for rehearing has been extended under TEX. GOV’T CODE § 2001.142, by agreement under TEX. GOV’T CODE § 2001.147, or by written Commission Order issued pursuant to TEX. GOV’T CODE § 2001.146(e). If a timely motion for rehearing of an application 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 Commission Order is signed.

Each exception to the Administrative Law Judge’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 per day per violation.

ENTERED in Austin, Texas on this 10th day of October 2017.

RAILROAD COMMISSION OF TEXAS

Christi Craddick
CHAIRMAN CHRISTI CRADDICK

Ryan Sitton
COMMISSIONER RYAN SITTON

Wayne Christian
COMMISSIONER WAYNE CHRISTIAN

ATTEST

Kathryn Way
SECRETARY