RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0307780

ENFORCEMENT ACTION AGAINST JET BLACK OIL, INC. (OPERATOR NO. 432089)
FOR VIOLATIONS OF STATEWIDE RULES ON THE FIVE MILE UNIT (14313) LEASE,
WELL NOS. 4 AND 7, FIVE MILE (WILSON, UPPER) FIELD, GONZALEZ COUNTY,
TEXAS

FINAL ORDER

The Railroad Commission ("RRC" or "Commission") finds that after statutory notice
in the above-docketed case, heard on April 16, 2018, the presiding Administrative Law
Judge has made and filed a Proposal for Decision containing findings of fact and
conclusions of law, which was served on all parties of record, and that this proceeding
was duly submitted to the Commission at a conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the Proposal for Decision
and the findings of fact and conclusions of law contained therein, and any exceptions and
replies thereto, hereby adopts as its own the findings of fact and conclusions of law
contained therein, and incorporates those findings of fact and conclusions of law as if fully
set out and separately stated herein.

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

1. Jet Black Oil, Inc. shall place the Five Mile Unit (14313) Lease, Well Nos. 4 and
   7, Five Mile (Wilcox, Upper) Field, Gonzales County, Texas in compliance with
   Statewide Rules 3(1), 3(2), 3(3), 8(d)(1), 13(a)(6)(A), and 14(b)(2), and any
   other applicable Commission rules and statues.

2. Jet Black Oil, Inc. shall pay to the Railroad Commission of Texas, for disposition
   as provided by law, an administrative penalty in the amount of TWENTY
   THOUSAND SIX HUNDRED NINE DOLLARS ($20,609.00).

It is further ORDERED that as persons in a position of ownership or control of
Respondent at the time Respondent violated Commission rules related to safety and the
control of pollution, Derrick Lamont Phelps and Stacey F. Rice and any other organization
in which said individuals may hold a position of ownership or control, shall be subject to
the restriction in section 91.114(a)(2) of the Texas Natural Resources Code 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.
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) and 16 TEX. ADMIN. CODE § 1.128(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 100 days from the date the Commission Order is signed.

Each exception to the 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 30th day of October, 2018.

RAILROAD COMMISSION OF TEXAS

[Signatures]

Chairman Christi Craddick
Commissioner Ryan Sitton
Commissioner Wayne Christian

[Stamp]