

**RAILROAD COMMISSION OF TEXAS  
OFFICE OF GENERAL COUNSEL  
OIL AND GAS SECTION**

**OIL AND GAS DOCKET NO. 10-0230749**

---

**ENFORCEMENT ACTION FOR ALLEGED VIOLATIONS COMMITTED BY GORDON DWAYNE BROWN D/B/A JIRO (432953), AS TO THE FRASS, H. (02643) LEASE, WELL NOS. 4 AND 6, FRASS, WEST (TONKAWA) FIELD, AND FRASS, H. JR., -A- NCT-A (02876) LEASE, WELL NO. 2, FRASS (TONKAWA) FIELD, LIPSCOMB COUNTY, TEXAS**

---

**FINAL ORDER**

The Commission finds that after statutory notice the captioned enforcement proceeding was heard by the examiner on July 25, 2002, and that the respondent, Gordon Dwayne Brown d/b/a Jiro (432953), failed to appear or respond to the notice. 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. Gordon Dwayne Brown d/b/a Jiro (432953), ("Respondent") was given Notice of Opportunity for 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 First Amended Original Complaint and the Notice of Opportunity Hearing was returned to the Commission marked "unclaimed" on June 27, 2002. The certified receipt has been on file with the Commission for 15 days, exclusive of the day of receipt and day of issuance.
3. Respondent designated itself to the Commission as the operator of Well Nos. 4 and 6 on the Frass, H. (02643) Lease and Well No. 2 on the Frass, H. Jr., NCT-A (02876) Lease ("subject wells"/"subject leases") by filing a Form P-4 (Producer's Transportation Authority and Certificate of Compliance) with the Commission effective on September 1, 1998 for Well Nos. 4 and 6 on the Frass, H. (02643) Lease and May 18, 1999 for Well No. 2 on the Frass, H. Jr., -A- NCT-A (02876) Lease.
4. According to Commission records the Respondent's Form P-5 (Organization Report) became delinquent on May 1, 2001. Respondent paid a fee of \$100.00 as financial assurance at the time of its last Form P-5 renewal.
5. The subject wells ceased production on or before August 31, 1997 for Well Nos. 4 and 6 on the Frass, H. (02643) Lease and September 30, 1996 for Well No. 2 on the Frass, H. Jr., -A- NCT-A (02876) Lease.
6. The subject wells have not been properly plugged in accordance with, and are not otherwise

in compliance with, Statewide Rule 14.

7. Usable quality groundwater in the area is likely to be contaminated by migrations or discharges of saltwater and other oil and gas wastes from the subject wells. Unplugged wellbores constitute a cognizable threat to the public health and safety because of the probability of pollution.
8. The estimated cost to the State of plugging the subject wells is \$17,000.00 for Well Nos. 4 and 6 on the Frass, H. (02643) Lease and \$9,500.00 for Well No. 2 on the Frass, H. Jr., -A-NCT-A (02876) Lease.
9. Commission district office inspections were conducted on January 10, 2002 and January 23, 2002 for the Frass, H. (02643) Lease. The signs and or identification required to be posted at Well No. 6 was missing.
10. Commission district office inspections were conducted on January 9, 2002 and January 23, 2002 for the Frass, H. Jr., -A- NCT-A (02876) Lease. The signs and or identification required to be posted at the tank were missing.
11. Commission records reflect that the Respondent was scheduled to perform the five year mechanical integrity pressure test (Form H-5) on the Frass, H. (02643) Lease, Well No. 4, by April 30, 2000, Respondent failed to conduct the required test and report the test results on the Commission Form H-5.
12. The Respondent has not demonstrated good faith since it failed to plug or otherwise place the subject leases and the subject wells in compliance after being notified of the violations by the District Office and failed to appear at the hearing to explain its inaction.

#### **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 is in violation of Commission Statewide Rules 3(a), 9(12) and 14(b)(2).
4. Respondent is responsible for maintaining the subject leases in compliance with Rule 3(a), which requires that each property that produces oil, gas or geothermal resources and each oil, gas or geothermal resource well and tank, or other approved crude oil measuring facility shall post signs and or identification.
5. Respondent is responsible for maintaining the subject lease in compliance with Rule 9(12), which requires that each disposal well completed with surface casing set and cemented through the entire interval of protected usable-quality water shall be tested for mechanical integrity at least once every five years.
6. Respondent is responsible for maintaining the subject leases in compliance with all

**OIL AND GAS DOCKET NO. 10-0230749**

applicable Commission rules and for properly plugging the subject wells according to Statewide Rules 14, 58, and 79 and Chapters 89 and 91 of the Texas Natural Resources Code.

7. The documented violations committed by the respondent constitute acts deemed serious, a hazard to the public health, and demonstrate a lack of good faith pursuant to TEX. NAT. RES. CODE ANN. §81.0531(c) (Vernon 2001).

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

1. Gordon Dwayne Brown d/b/a Jiro (432953), shall plug the Frass, H. (02643) Lease, Well Nos. 4 and 6, Frass, West (Tonkawa) Field, and the Frass, H. Jr., -A- NCT-A (02876) Lease, Well No. 2, Frass (Tonkawa) Field, Lipscomb County, Texas in compliance with applicable Commission rules and regulations; and
2. Gordon Dwayne Brown d/b/a Jiro (432953), shall pay to the Railroad Commission of Texas, for disposition as provided by law, an administrative penalty in the amount of **EIGHT THOUSAND FIVE HUNDRED DOLLARS (\$8,500.00)**.

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 order is served on the parties.

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 3rd day of December 2002.

**RAILROAD COMMISSION OF TEXAS**

(Signatures affixed by Default Master Order dated December 3, 2002)

SP/sa