



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

PROPOSAL FOR DECISION

OIL AND GAS DOCKET No. 09-0276083

ENFORCEMENT ACTION AGAINST RED RIVER EXPLORATION, INC. FOR STATEWIDE RULE VIOLATIONS ON THE TRIBUNE – GOAT SPD 1985 (26096) LEASE, WELL NOS. 1, 1W, 2, 3 AND 5 IN ARCHER COUNTY, TEXAS, COMMISSION DISTRICT 9.

APPEARANCES

FOR THE RAILROAD COMMISSION OF TEXAS:

Elaine Moore, Staff Attorney, Enforcement Section

FOR RED RIVER EXPLORATION, INC.:

Eric W. Nolen, President
Jim Bradberry, Consultant

PROCEDURAL HISTORY:

Notice of Hearing:	December 13, 2013
Amended Notice of Hearing:	February 28, 2014
Hearing on the merits:	April 24, 2014
Proposal for Decision:	October 16, 2015
Heard by:	Terry J. Johnson, Hearings Examiner
Prepared by:	Ryan M. Lammert, Administrative Law Judge

greater than one year. The well was administratively approved for plugging with State Funds on May 16, 2013, and subsequently plugged on November 14, 2013.

Red River is the record operator of the Tribune – Goat SPD 1985 (26096) Lease, Well No. 3, in Archer County Regular Field, Archer County, Texas, Commission District 9. Red River has reported zero (0) production from the well since October 2010. District Office lease inspections conducted on August 31, 2011; October 25, 2011; November 21, 2011; December 2, 2011; July 5, 2012; and December 16, 2013, revealed that the well has remained inactive, without workover, re-entry or subsequent production, for a period greater than one year. The well was administratively approved for plugging with State Funds on May 16, 2013, and subsequently plugged on November 14, 2013.

Red River is the record operator of the Tribune – Goat SPD 1985 (26096) Lease, Well No. 5, in Archer County Regular Field, Archer County, Texas, Commission District 9. Red River has reported zero (0) production from the well since October 2010. District Office lease inspections conducted on August 31, 2011; October 25, 2011; November 21, 2011; December 2, 2011; July 5, 2012; and December 16, 2013, revealed that the well has remained inactive, without workover, re-entry or subsequent production, for a period greater than one year. The well was administratively approved for plugging with State Funds on May 16, 2013, and subsequently plugged on November 15, 2013.

RED RIVER'S CASE

Despite lengthy testimony, Mr. Nolen and Mr. Bradberry failed to provide evidence, or otherwise articulate a legal basis, to contradict proof that Red River is responsible for the plugging violations. Rather, Mr. Nolen and Mr. Bradberry utilized their time to describe a series of unfortunate events surrounding Red River's acquisition and operation of the Tribune – Goat SPD 1985 (26096) Lease which culminated in the violations alleged herein.

Regardless, Mr. Nolen and Mr. Bradberry testified that Enforcement's requested penalty is improper because the violations alleged herein were a result of circumstances beyond the control of Red River.

DISCUSSION

RED RIVER IS CULPABLE

The record in this case contains uncontradicted evidence that Red River committed the violations as alleged. Red River offered no evidence to contradict proof that it is responsible for the plugging violations.

Furthermore, the record reflects that Red River previously agreed to the entry of four final enforcement orders – all of which include violations of TEX. NAT. RES. CODE § 89.011 and 16 TEX. ADMIN. CODE § 3.14(b)(2).¹

¹ Oil and Gas Docket Nos. 09-0246037 (August 12, 2008); 09-0249591 (August 12, 2008); 09-0253805 (February 26, 2008); and 09-0255202 (August 12, 2008)

4. Red River is the record operator of the Tribune – Goat SPD 1985 (26096) Lease, Well No. 2, in Archer County Regular Field, Archer County, Texas, Commission District 9.
 - a. Red River has reported zero (0) production from the well since October 2010.
 - b. District Office lease inspections conducted on August 31, 2011; October 25, 2011; November 21, 2011; December 2, 2011; July 5, 2012; and December 16, 2013, revealed that the well has remained inactive, without workover, re-entry or subsequent production, for a period greater than one year.
 - c. Red River neither plugged the well nor obtained an extension of the plugging deadline.
 - d. The well was administratively approved for plugging with State Funds on May 16, 2013, and subsequently plugged on November 14, 2013.
5. Red River is the record operator of the Tribune – Goat SPD 1985 (26096) Lease, Well No. 3, in Archer County Regular Field, Archer County, Texas, Commission District 9.
 - a. Red River has reported zero (0) production from the well since October 2010.
 - b. District Office lease inspections conducted on August 31, 2011; October 25, 2011; November 21, 2011; December 2, 2011; July 5, 2012; and December 16, 2013, revealed that the well has remained inactive, without workover, re-entry or subsequent production, for a period greater than one year.
 - c. Red River neither plugged the well nor obtained an extension of the plugging deadline.
 - d. The well was administratively approved for plugging with State Funds on May 16, 2013, and subsequently plugged on November 14, 2013.
6. Red River is the record operator of the Tribune – Goat SPD 1985 (26096) Lease, Well No. 5, in Archer County Regular Field, Archer County, Texas, Commission District 9.
 - a. Red River has reported zero (0) production from the well since October 2010.
 - b. District Office lease inspections conducted on August 31, 2011; October 25, 2011; November 21, 2011; December 2, 2011; July 5, 2012; and December 16, 2013, revealed that the well has remained inactive, without workover, re-entry or subsequent production, for a period greater than one year.

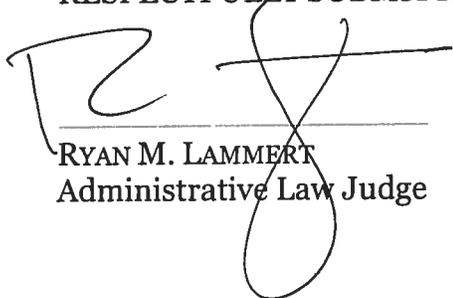
Archer County, Texas, Commission District 9, in violation of TEX. NAT. RES. CODE § 89.011 and 16 TEX. ADMIN. CODE § 3.14(b)(2).

RECOMMENDATION

The Administrative Law Judge recommends that the above Findings of Fact and Conclusions of Law be adopted and that Red River Exploration, Inc. be assessed an administrative penalty of \$14,000.00 for violations of Statewide Rule 14(b)(2) on the Tribune – Goat SPD 1985 (26096) Lease.

The Administrative Law Judge also recommends that Eric W. Nolen, President of Red River Exploration, Inc.; and Kelsie Creager Alan Barnes, Vice President of Red River Exploration, Inc. (Operator No. 697053), be made subject to the restrictions of TEX. NAT. RES. CODE § 91.114.

RESPECTFULLY SUBMITTED,



RYAN M. LAMMERT
Administrative Law Judge