

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

4

APPLICANT: TIM BAKER, ACTING DIRECTOR
OIL AND GAS CONSERVATION DIVISION
OKLAHOMA CORPORATION COMMISSION

RESPONDENT: LABO OIL COMPANY, INC.

RELIEF SOUGHT: MONETARY FINES) CAUSE OGC NO. 200400016T
& COMPLIANCE) CITATION # 1-1551A
WITH COMMISSION)
RULES)

APPLICANT: TIM BAKER, ACTING DIRECTOR
OIL AND GAS CONSERVATION DIVISION
OKLAHOMA CORPORATION COMMISSION

RESPONDENT: LABO OIL COMPANY, INC.

RELIEF SOUGHT: MONETARY FINES) CAUSE OGC NO. 200400017T ✓
& COMPLIANCE) CITATION # 1-1552A
WITH COMMISSION)
RULES) ORDER NO. ~~490308~~

FINAL ORDER

These causes came on for hearing before Connie Moore, Administrative Law Judge, on the Enforcement Docket on May 4, 2004, in the Commission's Courtroom, Kerr Building, Tulsa, Oklahoma, pursuant to notice given as required by law and the rules of the Commission for the purpose of taking testimony and reporting to the Commission. By agreement of the parties, these causes were combined for hearing with a single order to issue in the combined causes.

At the time of the hearing, Jim Hamilton, attorney for the Oil and Gas Conservation Division, appeared for the Applicant, Tim Baker, Acting Director of the Oil and Gas Conservation Division of the Corporation Commission. Lee I. Levinson, attorney, appeared for the Respondent, Labo Oil Company, Inc.

FINDINGS

1. The Commission has jurisdiction over the subject matter, and notice has been given in all respects as required by law and rules of the Commission.

2. This matter relates to the Baldwin lease located in the NE/4 of Section 18, Township 17 North, Range 07 East, Creek County, Oklahoma, which well is operated by the Respondent. Respondent's agent was served with a citation on April 12, 2004. Commission oil and gas field inspector S. K. Neal observed that the Respondent was utilizing the Baldwin well for the disposal or injection of salt water and discharging produced water to the surface without having first obtained Commission approval. Respondent agrees to the terms of this proposed order.

3. Respondent, Labo Oil Company, Inc., is found in contempt of OCC-OAC165:10-5-2 (failure to obtain permit for injection or disposal well) which provides on Schedule A for a contempt fine of Five Thousand Dollars (\$5,000.00) and OCC-OAC165:10-7-17 (failure to obtain permit to discharge produced water to surface) which provides on Schedule A for a contempt fine of One Thousand Dollars (\$1,000.00).

ORDER

IT IS THEREFORE THE ORDER OF THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA:

1. That the Respondent, Labo Oil Company, Inc., is found in contempt of OCC-OAC 165:10-5-2 which provides on Schedule A for a contempt fine of Five Thousand Dollars (\$5,000.00) for the injection or disposal of salt water into the Baldwin well in the NE/4 of Section 18, Township 17 North, Range 07 East, Creek County, Oklahoma, as set forth in Commission Rules. Further, the Respondent is found in contempt of OCC-OAC165:10-7-17, which provides on Schedule A for a contempt fine of One Thousand Dollars (\$1,000.00) for discharging produced water to the surface on the Baldwin lease without a permit.

2. That the assessed monetary fine of **Six Thousand Dollars (\$6,000.00)** shall be paid by the Respondent, Labo Oil Company, Inc., to the Cashier, Finance Department, Corporation Commission, 2101 N. Lincoln Boulevard, P.O. Box 52000, Oklahoma City, OK 73152-2000. As an accommodation to the Respondent, payment of this fine may be made in monthly installments of Five Hundred Dollars (\$500.00) no later than the first day of each month with payment commencing no later than **June 1, 2004**. However, should Respondent fail to timely pay any installment, the full remaining amount of said fine shall be due and owing.

3. THAT PAYMENT OF THIS FINE IS DUE WITHIN THE TIME PROVIDED AND FAILURE TO PAY SHALL RESULT IN A STATE COURT JUDGMENT AND COLLECTION ACTION BEING FILED AGAINST THE RESPONDENT, AND A LIEN

BEING FILED AGAINST THE PROPERTIES OF THE RESPONDENT ACCORDING
TO 17 O. S. 1998, SECTION 6.

OKLAHOMA CORPORATION COMMISSION

Denise A. Bode

DENISE A. BODE, CHAIRMAN

Bob Anthony

BOB ANTHONY, VICE-CHAIRMAN

Jeff Cloud

JEFF CLOUD, COMMISSIONER

DONE AND PERFORMED this 20 day of May 2004.

BY ORDER OF THE COMMISSION:

Peggy Mitchell

PEGGY MITCHELL, Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

Connie Moore

CONNIE MOORE,
ADMINISTRATIVE LAW JUDGE

Jim Hamilton

Jim Hamilton
Attorney for Applicant
OBA #3762

Lee I. Levinson
Attorney for Respondent
OBA #5395

Final Order
Cause OGC No. 200400016T
Citation No. 1-1-551A
Cause OGC No. 200400017T
Citation No. 1-1-552A
Labo Oil Company, Inc.
Page 3

BEING FILED AGAINST THE PROPERTIES OF THE RESPONDENT ACCORDING TO 17 O. S. 1998, SECTION 6.

OKLAHOMA CORPORATION COMMISSION

DENISE A. BODE, CHAIRMAN

BOB ANTHONY, VICE-CHAIRMAN

JEFF CLOUD, COMMISSIONER


DONE AND PERFORMED this _____ day of May 2004.

BY ORDER OF THE COMMISSION:


PEGGY MITCHELL, Secretary

REPORT OF THE ADMINISTRATIVE LAW JUDGE

**CONNIE MOORE,
ADMINISTRATIVE LAW JUDGE**



**Jim Hamilton
Attorney for Applicant
OBA #3762**



**Lee I. Levinson
Attorney for Respondent
OBA #5395**