

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

APPLICANT: LORI WROTENBERY, DIRECTOR
OIL AND GAS CONSERVATION DIVISION
OKLAHOMA CORPORATION COMMISSION

RESPONDENT: TULSA MINERALS, INC.
OPERATOR #16151

LEGAL: NW/4 SECTION 12,
TOWNSHIP 18 NORTH,
RANGE 11 EAST,
CREEK COUNTY, OK

RELIEF SOUGHT:	MONITARY FINES)	CAUSE OGC NO. 200500068T
	& COMPLIANCE)	CITATION # 1-1077A
	WITH COMMISSION)	ORDER NO. 513562
	RULES)	

FINAL ORDER

This cause came on for hearing before Curtis M. Johnson, Administrative Law Judge, on the Enforcement Docket on October 5, 2005, 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.

At the time of the hearing, Jim Hamilton, attorney for the Oil and Gas Conservation Division, appeared for the Applicant, Lori Wrotenbery, Director of the Oil and Gas Conservation Division of the Corporation Commission. Mr. Richard Fogel was present for the Respondent, Tulsa Minerals, Inc., and Mr. Tom Hughes, surface/mineral owner, appeared pro se.

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 McKernan #2A well located in the SW/4 of the SW/4 of the NW/4 of Section 12, Township 18 North, Range 11 East, Creek County, Oklahoma. Respondent's agent was served with a copy of the citation on September 8, 2005. Commission oil and gas field inspector supervisor Roger Conaghan testified that the Respondent was the owner/operator of the

McKernan #2A oil and/or gas well. The witness also testified that he had made a general inspection of the lease and had observed that salt water was flowing from a holding tank to the McKernan #2A well. The witness testified that he determined from Commission records that the McKernan #2A well was not authorized as a disposal or injection well. The witness stated that, in his professional opinion, the action of the Respondent was a violation of Commission Rule OAC 165:10-5-2, failure to obtain a permit for injection or disposal well. The witness recommended that Respondent be fined the sum of Five Thousand Dollars (\$5,000.00).

3. Mr. Tom Hughes, surface and mineral owner, testified that Respondent had acquired the lease approximately three years ago. He stated that Respondent had installed lease signs and had rehabilitated the lease. The witness opined that he would rather that the proposed fine monies be spent on improving and producing the lease.

4. Mr. Richard Fogel, a principal of the Respondent, stated that Respondent had been an oil and gas operator since 1987, and had not been previous cited by the Commission. He stated that he used equipment on the lease without having first verified that the Commission had permitted the McKernan #2A well as a disposal or injection well. He realized that this was a mistake, but requested that the monetary fine be reduced.

5. The Administrative Law Judge finds that the Respondent, Tulsa Minerals, Inc., is in contempt of OCC-OAC165:10-5-2, which provides on Schedule A for a contempt fine of Five Thousand Dollars (\$5,000.00) for having used the McKernan #2A well as a salt water disposal well without having first obtained Commission approval. The Administrative Law Judge further recommends that a Final Order issue in this cause.

ORDER

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

1. That the findings and recommendation of the Administrative Law Judge are incorporated herein.

2. That the Respondent, Tulsa Minerals, Inc., is found in contempt of OCC-OAC 165:10-5-2 and is assessed a monetary fine of Five Thousand Dollars (\$5,000.00) for failure to obtain a permit for injection or disposal of salt water into the McKernan #2A well located in the SW/4 of the SW/4 of the NW/4 of Section 12, Township 18 North, Range 11 East, Creek County, Oklahoma, as set forth in Commission Rules.

3. That the assessed monetary fine shall be paid, within thirty (30) days of the date of this Final Order, by the Respondent, Tulsa Minerals, Inc., to the Cashier, Finance Department, Corporation Commission, 2101 N. Lincoln Boulevard, P.O. Box 52000, Oklahoma City, OK 73152-2000.

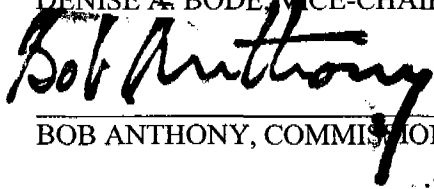
4. THAT PAYMENT OF THIS FINE IS DUE WITHIN THE TIME PROVIDED AND FAILURE TO PAY SHALL RESULT IN A STATE COURT JUDGMENT AND

COLLECTION ACTION BEING FILED AGAINST THE RESPONDENT, AND A LIEN BEING FILED AGAINST THE PROPERTIES OF THE RESPONDENT ACCORDING TO 17 O. S. SECTION 6.

OKLAHOMA CORPORATION COMMISSION


JEFF CLOUD, CHAIRMAN


DENISE A. BODE, VICE-CHAIRMAN

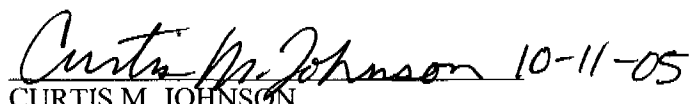

BOB ANTHONY, COMMISSIONER


DONE AND PERFORMED this 20 day of October 2005.

BY ORDER OF THE COMMISSION:


PEGGY MITCHELL, SECRETARY

REPORT OF THE ADMINISTRATIVE LAW JUDGE


CURTIS M. JOHNSON,
ADMINISTRATIVE LAW JUDGE


Jim Hamilton
Attorney for Applicant
OBA #3762