

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

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

RESPONDENT: GARVEY OIL & GAS, LLC
OPERATOR #21560

LEGAL: SE/4 SECTION 03,
TOWNSHIP 21 NORTH,
RANGE 15 EAST,
ROGERS COUNTY, OK

RELIEF SOUGHT:	MONETARY FINES)	CAUSE OGC NO. 200600026T
	& COMPLIANCE)	CITATION # 1-1080A
	WITH COMMISSION)	ORDER NO. <u>526298</u>
	RULES)	

FINAL ORDER

This cause came on for hearing before an Administrative Law Judge on the Enforcement Docket on June 6, 2006, 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. Lee I. Levinson, attorney, appeared for the Respondent, Garvey Oil and Gas, LLC.

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 cause relates to the Washom #4 well located in the NW/4 of the SW/4 of the SE/4 of Section 03, Township 21 North, Range 15 East, Rogers County, Oklahoma. Commission oil and gas field inspector John Woodson filed the Complaint Citation with the Court Clerk alleging that the Respondent was the owner/operator of the subject Washom #4 well. The field inspector alleged that he had observed salt water flowing into a well, which was not authorized as a disposal or injection well. The complaint alleged that the action of the Respondent was a

violation of Commission Rule OCC-OAC 165:10-5-2, failure to obtain a permit for injection or disposal well, which required that Respondent be assessed a monetary fine of Five Thousand Dollars (\$5,000.00). Respondent asserted that the well was acquired in June 2004, without knowledge that the well was not permitted.

3. That by the Respondent, Garvey Oil and Gas, LLC, entering into this agreed Final Order that in no manner does Garvey Oil and Gas, LLC admit that it was in violation of any of the rules and regulations of the Commission. This order was entered into as a compromise and settlement only and in the event that there was a finding that the Respondent violated any rules and regulations of the Commission, Garvey Oil and Gas, LLC would not have entered into this agreed-upon order to pay the amount of \$5,000.00 to the Commission. Further, the parties have agreed that this Final Order should be considered a settlement document only and cannot be used as evidence in other court proceeding.

4. The Administrative Law Judge finds that the Respondent, Garvey Oil and Gas, LLC, is in contempt of OCC-OAC165:10-5-2, which provides on Schedule A for a monetary fine of Five Thousand Dollars (\$5,000.00). By agreement of the parties, the Administrative Law Judge recommends that Respondent be permitted to pay the monetary fine in monthly installments at the rate of Two Hundred Fifty Dollars (\$250.00) per month until the full amount is paid. 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, Garvey Oil and Gas, LLC, is found in contempt of OCC-OAC 165:10-5-2 and is required to pay to the Corporation Commission the sum of Five Thousand Dollars (\$5,000.00) for failure to obtain Commission authority for injection or disposal of salt water into the Washom #4 well located in the NW/4 of the SW/4 of the SE/4 of Section 03, Township 21 North, Range 15 East, Rogers County, Oklahoma, as set forth in Commission Rules.

3. That the assessed monetary fine of **Five Thousand Dollars (\$5,000.00)** shall be paid by the Respondent, Garvey Oil and Gas, LLC, 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 Two Hundred Fifty Dollars (\$250.00) commencing no later than thirty (30) days from the date of this order and each thirty days thereafter until the full amount has been paid. However, should Respondent fail to timely pay any installment, the full remaining amount of said fine shall be due and owing.

4. THAT PAYMENT OF THIS MONETARY 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

JEFF CLOUD, CHAIRMAN

Denise A. Bode

DENISE A. BODE, VICE-CHAIRMAN

Bob Anthony

BOB ANTHONY, COMMISSIONER

DONE AND PERFORMED this 22 day of June 2006.
BY ORDER OF THE COMMISSION:


Peggy Mitchell


PEGGY MITCHELL, SECRETARY



REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing is the report and recommendation of the Administrative Law Judge.


KATHLEEN M. McKEOWN,
ADMINISTRATIVE LAW JUDGE



Jim Hamilton,
OBA #3762
Attorney for Applicant

Lee I. Levinson,
OBA #5395
Attorney for Respondent

OKLAHOMA CORPORATION COMMISSION

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