

BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA

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

RESPONDENT: F & G MANAGEMENT, LLC
OPERATOR #21365

LEGAL: NW/4 NE/4 SE/4 SE/4
OF SECTION 08,
TOWNSHIP 26 NORTH,
RANGE 16 EAST,
NOWATA COUNTY, OK

RELIEF SOUGHT: MONETARY FINES) CAUSE OGC NO. 200700009T
& COMPLIANCE) CITATION # 1-0704A
WITH COMMISSION) ORDER NO. 543827
RULES)

FINAL CITATION ORDER

This cause came on for hearing before an Administrative Law Judge on the Enforcement Docket on August 28, 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, F&G Management, 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 matter relates to the Worthington #5 well located in the SE/4 of Section 08, Township 26 North, Range 16 East, Nowata County, Oklahoma. Respondent was served with a Complaint Citation on May 8, 2007. Commission oil and gas field inspector Billy Shufeldt filed the Complaint Citation with the Court Clerk alleging that the Respondent was the owner/operator of the subject well. The field inspector alleged that he had observed that salt water was flowing into the well, which well 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 penalty of Five Thousand Dollars (\$5,000.00), which the Respondent agreed to pay.

3. The Administrative Law Judge finds that the Respondent is in violation of OCC-OAC165:10-5-2, which provides on Schedule A for a monetary assessment of Five Thousand Dollars (\$5,000.00). 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, F & G Management, LLC, is found in violation 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 Worthington #5 well located in the SE/4 of Section 08, Township 26 North, Range 16 East, Nowata County, Oklahoma, as set forth in Commission Rules.

3. That the monetary assessment shall be paid, within thirty (30) days of the date of this Final Order, by the Respondent 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) 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 OBLIGATION 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



BOB ANTHONY, VICE-CHAIRMAN



JIM ROTH, COMMISSIONER

DONE AND PERFORMED this 5 day of September 2007.
BY ORDER OF THE COMMISSION:

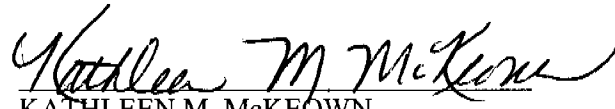


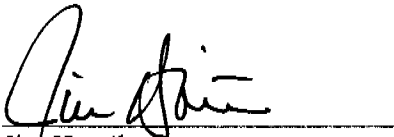
PEGGY MITCHELL, SECRETARY

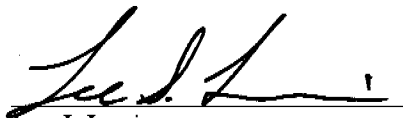
JOYCE CONNER, Acting Secretary

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
Attorney for Applicant
OBA #3762


Lee I. Levinson
Attorney for Respondent
OBA #5395