

BEFORE THE CORPORATION COMMISSION OF THE STATE OF
OKLAHOMA

SAS
10/23/07

APPLICANT: LORI WROTENBERY, DIRECTOR)
OIL AND GAS CONSERVATION)
DIVISION) CAUSE
OKLAHOMA CORPORATION) OGC NO.
COMMISSION) 200600031T
)
RESPONDENT: FRICKEY INVESTMENT MANAGEMENT) CITATION
COMPANY, LLC) #1-1580A
OPERATOR NO. 21500-0)
) ORDER NO.
LEGAL: SE/4 NW/4 NW/4 SW/4) **545847**
SECTION 14,)
TOWNSHIP 14 NORTH,)
RANGE 16 EAST,)
MUSKOGEE COUNTY, OK)

APPLICANT: LORI WROTENBERY, DIRECTOR)
OIL AND GAS CONSERVATION)
DIVISION) CAUSE
OKLAHOMA CORPORATION) OGC NO.
COMMISSION) 200600032T
)
RESPONDENT: FRICKEY INVESTMENT MANAGEMENT) CITATION
COMPANY, LLC) 1-1581A
OPERATOR NO. 21500-0)
)
LEGAL: NW/4 NW/4 NE/4 SW/4)
SECTION 21,)
TOWNSHIP 14 NORTH,)
RANGE 16 EAST,)
MUSKOGEE COUNTY, OK)

APPLICANT: LORI WROTENBERY, DIRECTOR)
OIL AND GAS CONSERVATION)
DIVISION) **CAUSE**
OKLAHOMA CORPORATION) **OGC NO.**
COMMISSION) **200600034T**
))
RESPONDENT: DAVID A. HOLLOWAY) **CITATION**
OPERATOR NO. 10368) **1-1582A**
))
LEGAL: NE/4 SW/4))
SECTION 09,))
TOWNSHIP 14 NORTH,))
RANGE 18 EAST,))
MUSKOGEE COUNTY, OK))

FINAL ORDER

These combined causes came on for hearing before Kathleen McKeown, Administrative Law Judge, Oklahoma Corporation Commission, on the Pollution/Enforcement Hearing Docket at 9:30 a.m. on October 17, 2006, in the Commission's Courtroom, Robert S. Kerr Office Building, 440 S. Houston, Tulsa, Oklahoma, for the purposes of taking testimony and reporting to the Commission.

At the hearings, Jim Hamilton, Attorney, Oil and Gas Conservation Division, Oklahoma Corporation Commission, appeared for the Applicant, Lori Wrotenbery, Director of the Oil and Gas Conservation Division of the Oklahoma Corporation Commission ("Commission"). Lee I. Levinson, attorney, appeared on behalf of the Respondents, LPD Energy Company, LLC ("LPD"), as successor-in-interest to Frickey Investment Management Co., LLC ("Frickey") and David A. Holloway ("Holloway"), an owner and operating partner of LPD.

Upon the completion of the hearing, the Administrative Law Judge took the matter under advisement and thereafter filed her report on October 25, 2006, to which the Respondent appealed.

The Oral Arguments on Appeal were referred to Randolph S. Specht, Oil and Gas Appellate Referee ("Referee") on October 1, 2007. The Referee took the matter under advisement and thereafter filed his report on October 5, 2007.

After taking the cause under advisement and conducting deliberations, the Commission *en banc*, being fully advised of the premises through the report of the ALJ and the Report of the Referee, voted 3-0 to affirm the report of the Administrative Law Judge. Accordingly, the Commission issues the following findings and order:

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. Cause OGC 200600031T is a Citation seeking a monetary fine of Five Thousand Dollars (\$5,000.00) from Frickey for operating the Holdridge Dotson #1 well as a disposal well in violation of Commission Rule OAC 165:10-5-2(A). The Holdridge Dotson #1 well is located in the SE/4 NW/4 NW/4 SW/4 of Section 14, Township 14 North, Range 16 East, Muskogee County, Oklahoma. The Respondent was alleged to be in violation of Commission Rule OAC 165:10-5-2, failure to obtain a permit for injection or disposal well, which provides on Schedule A for a contempt fine of Five Thousand Dollars (\$5,000.00).

3. Cause OGC 200600032T is a Citation seeking a monetary fine of Five Thousand Dollars (\$5,000.00) from Frickey for operating the Emery #5 well as a disposal well in violation of Commission Rule OAC 165:10-5-2(A). The Emery #5 well is located in the NW/4 NW/4 NE/4 of Section 21, Township 14 North, Range 16 East, Muskogee County, Oklahoma. The Respondent was alleged to be in violation of Commission Rule OAC 165:10-5-2, failure to obtain a permit for injection or disposal well, which provides on Schedule A for a contempt fine of Five Thousand Dollars (\$5,000.00).

4. Cause OGC 200600034T is a Citation seeking a monetary fine of Five Thousand Dollars (\$5,000.00) from Holloway for operating the Ragsdale A #7 well as a disposal well in violation of Commission Rule OAC 165:10-5-2(A). The Ragsdale A #7 well is located in the NE/4 SW/4 of Section 09, Township 14 North, Range 18 East, Muskogee County, Oklahoma. The Respondent was alleged to be in violation of Commission Rule OAC 165:10-5-2, failure to obtain a permit for injection or disposal well, which provides on Schedule A for a contempt fine of Five Thousand Dollars (\$5,000.00).

5. Testimony established that Frickey injected produced water into the Holdridge Dotson #1 and the Emery #5 wells, and Holloway injected produced water into the Ragsdale A #7 well and that these wells were not authorized by the Commission for use as disposal wells. Based upon these undisputed facts, Frickey and Holloway violated Commission Rule OAC 165:10-5-2(a). No mitigating factors justified the Respondents' failure to comply with Commission rules; thus, the Schedule A fine in the amount of Five Thousand Dollars (\$5,000.00) in each cause is warranted. LPD has assumed the monetary liability of Frickey and Holloway.

6. It is found that no waiver or reduction of the assessed monetary fines for small businesses based upon 75 O. S. Section 506 and/or OAC Rule 165:5-19-2 is warranted. Evidence showed that the oil and gas field inspector warned the Respondents to check

their respective disposal authority in order to assure proper compliance with Commission rules.

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 and the Referee are incorporated herein.

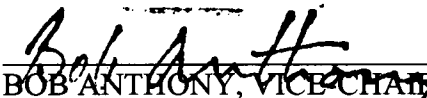
2. That, for the reasons stated in the findings, LPD Energy Company is hereby assessed a monetary fine in the amount of Fifteen Thousand Dollars (\$15,000.00).

3. That the assessed monetary fine shall be paid, within thirty (30) days of the date of this Final Order by LPD Energy Company 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


BOB ANTHONY, VICE CHAIRMAN


JIM ROTH, COMMISSIONER

DONE AND PERFORMED this 26 day of October 2007.
BY ORDER OF THE COMMISSION:


JOYCE CONNER, ACTING SECRETARY
JOYCE CONNER, Acting Secretary

A handwritten signature in cursive script, appearing to read "Jim Hamilton", is written over a horizontal line.

Jim Hamilton
Attorney for Applicant
OBA #3762