

**BEFORE THE CORPORATION COMMISSION OF THE STATE OF OKLAHOMA**

**APPLICANT:** LARRY FIDDLER, )  
ACTING DIRECTOR, OIL AND GAS )  
CONSERVATION DIVISION ) **CAUSE OGC NO. 200100040T**  
OKLAHOMA CORPORATION COMMISSION )  
)  
**RESPONDENT:** EASTERN WELL SERVICING ) **CITATION NO. 1-0405-A**  
COMPANY )  
Operator No. 15651 )  
)  
**RELIEF SOUGHT:** MONETARY FINES AND ) **ORDER NO. 458539**  
COMPLIANCE WITH )  
COMMISSION RULES )

**FINAL ORDER**

This Cause came on for hearing before Curtis M. Johnson, Administrative Law Judge for the Corporation Commission of the State of Oklahoma, on the Citation Docket, on the 9<sup>th</sup> day of October 2001, at 9:30 a.m., in the Commission's Courtroom, Tulsa Regional Office, 440 S. Houston, 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. The Cause was continued to the 16<sup>th</sup> day of October 2001, for the purpose of taking additional testimony. The Report of the Administrative Law Judge was issued on October 25, 2001, to which no appeal was filed by any party.

At the time of the hearing, Jim Hamilton, attorney for the Oil and Gas Conservation Division, appeared for the Applicant, Larry Fiddler, Acting Director of the Oil and Gas Conservation Division of the Corporation Commission. The Administrative Law Judge proceeded to hear the cause and reports as follows:

**FINDINGS**

1. That this is the Application of Larry Fiddler, Acting Director of the Oil and Gas Conservation Division for the Oklahoma Corporation Commission seeking a finding of monetary fines and compliance with Commission rules for a violation of certain Commission oil and gas rules. Said violation being the failure of the Respondent, Eastern Well Servicing Company, to obtain a permit for a well for disposal or injection purposes as required by OCC-OAC 165:10-5-2(a).

2. That the Respondent/Operator, Eastern well Servicing Company, operates under Operator No. 15651. Service of said citation to Respondent's agent, John C. Stewart, was refused on July 30, 2001. A copy of the citation was mailed by first class mail to the address of the Respondent on August 1, 2001.

3. That 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.

4. That Mr. Phillip Jones, Oklahoma Corporation Commission Field Inspector, testified that the alleged violation of OCC-OAC 165:10-5-2(a) provides on Schedule A for a contempt fine of Five Thousand Dollars (\$5,000.00) for failure to obtain a permit for a well for disposal or injection purposes. The alleged violation related to the Dustin #1 well operated by the Respondent and located in the SW/4 of the NE/4 of the NE/4 of Section 29, Township 10 North, Range 12 East, Okfuskee County, Oklahoma. Mr. Jones testified that he had researched Commission records, which revealed that the Respondent had not received a permit for water injection into the Dustin #1 well. Further, on his visit to the well on July 30,

2001, Mr. Jones observed that the Dustin #1 well was configured in a manner consistent with water injection. Water was observed by the witness to be leaking from the pipeline leading into the well.

5. That Mr. Roger Conaghan, Supervisory Field Inspector for the Corporation Commission, testified that he had accompanied Mr. Jones to the Dustin #1 well and stated that he also had witnessed that the Dustin #1 well was being operated for injection purposes. Mr. Conaghan opined that the Respondent was in violation of OCC-OAC 165:10-5-2(a), which required a fine in the amount of Five Thousand Dollars (\$5,000.00).

6. That Mr. John C. Stewart, President of the Respondent, testified that he had indeed plumbed the Dustin #1 well for water disposal and had attempted to dispose of water into the well. He explained that the purpose was to determine whether the well would take water. He did not know how much, if any, water had been pumped into the well. No permit had been obtained from the Commission to test or operate the Dustin #1 well as a disposal well. Mr. Stewart advised the court that he intended to appeal the report of the Administrative Law Judge according to the rules of the Corporation Commission.

#### ADMINISTRATIVE LAW JUDGE RECOMMENDATION

Therefore the Administrative Law Judge announced his recommendation in the captioned cause. The Respondent, Eastern Well Servicing Company, is found to be in contempt of OCC-OAC 165:10-5-2(a), which provides as follows:

The subsurface injection or disposal of any substance for any purpose is prohibited except upon approval of the Commission pursuant to 165:10-5-5 or 165:10-5-12 and 165:10-5-13. This authorization may be conditioned upon the applicant taking corrective action to protect treatable water as specified by the Commission in its order. The Commission shall fine an operator \$5,000.00 for any violation of this subsection.

The Respondent has admitted to operating the Dustin #1 well as a disposal well without authorization from the Commission; therefore, a fine in the amount Five Thousand Dollars (\$5,000.00) as provided by OCC-OAC 165:10-5-2(a) is recommended.

#### ORDER

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

1. That the findings of the Administrative Law Judge are accepted.
2. That the Respondent, Eastern Well Servicing Company, is found in contempt of OCC-OAC 165:10-5-2(a) which provides on Schedule A for a contempt fine of Five Thousand Dollars (\$5,000.00) for failure to obtain a permit for a well for disposal or injection purposes. The violation relates to the Dustin #1 well operated by the Respondent and located in the SW/4 of the NE/4 of the NE/4 of Section 29, Township 10 North, Range 12 East, Okfuskee County, Oklahoma
2. That the fine shall be paid by the Respondent, Eastern Well Servicing Company, to the Cashier, Finance Department, Corporation Commission, 2101 N. Lincoln Boulevard, P.O. Box 52000, Oklahoma City, OK 73152-2000 within thirty (30) days from the date of this order.
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 BEING OPERATED BY THE RESPONDENT ACCORDING TO 17 O. S. 1998, SECTION 6.**

OKLAHOMA CORPORATION COMMISSION



DENISE A. BODE, CHAIRMAN

BOB ANTHONY, VICE-CHAIRMAN

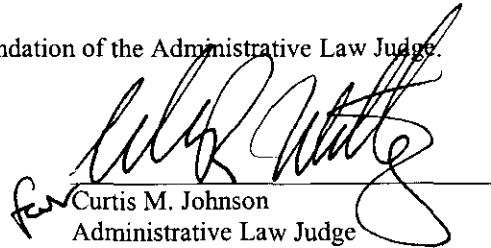



ED APPLE, COMMISSIONER

DONE AND PERFORMED this 29 day of November 2001.  
BY ORDER OF THE COMMISSION

  
PEGGY MITCHELL, Secretary

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

  
Curtis M. Johnson  
Administrative Law Judge

  
Jim Hamilton  
Attorney, OBA #3762