

BEFORE THE CORPORATION COMMISSION
STATE OF OKLAHOMA

APPLICANT: MICHAEL S. BATTLES)
DIRECTOR OF)
CONSERVATION)
) OGC 2001-00049-T
RESPONDENT: INTERNATIONAL) OGC 2001-00050-T
ASSET MANAGEMENT,) OGC 2001-00052-T
INC.,)
)
RELIEF SOUGHT: CONTEMPT) **ORDER NO. 457399**

ORDER OF THE COMMISSION

This cause came on for hearing before Curtis M. Johnson, Administrative Law Judge of the Oklahoma Corporation Commission, on the 2nd day of October, 2001, at 9:30 a.m. in the Commission Courtroom, 440 S. Houston, Tulsa, Oklahoma, pursuant to notice given as required by law and by the rules of the Commission for the purposes of taking testimony and reporting to the Commission.

At the time of the hearing, the Respondent, International Asset Management, Inc., appeared by its attorney, Lee I. Levinson; and Kent Talbot, Attorney, appeared on behalf of the Commission.

The Administrative Law Judge proceeded to hear the cause and made the following findings and recommendations:

FINDINGS

1. That this is an contempt action based on citations given by the Commission against the Respondent, International Asset Management, Inc., for certain violations occurring on an oil and gas lease being located in Section 3, Township 28 North, Range 15 East, Nowata County, Oklahoma.

2. The Commission has jurisdiction over the subject matter herein and that notice has been given as required by law and by the rules of the Commission.

3. That prior to the opening of the record in this cause an agreement was reached between the Respondent, International Asset Management, Inc., and the Commission as to the terms and conditions of this Order in order to place the subject lease being legally described as portions of Section 3, Township 28 North, Range 15 East, Nowata County, Oklahoma, in compliance with the rules and regulations of the Commission.

4. At the hearing, Bill Shuffeldt, Field Inspector for the Commission, testified that with respect to the citation number OGC 2001-00050-T should be dismissed. This citation was given for an illegal use of a disposal well by the Respondent. However, admitted into evidence as Respondent's Exhibit "1" was a letter from Dwayne Garrett of DRB Oil Co. which indicated to the Respondent that this disposal well was authorized for injection

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by the Commission. Even though this well was never authorized, based on the representations made by DRB Oil Co. to the Respondent, this citation is hereby dismissed.

5. That with respect to the citation number OGC 2001-00049-T which concerned the illegal use of a disposal well by the Respondent, International Asset Management, Inc., the Respondent subject to the stipulations set forth herein has agreed to pay the \$5,000.00 fine in accordance to the terms and conditions of this order.

6. That with respect to the citation number OGC 2001-00052-T which was issued in the amount of \$1,000.00 for the non-plugging of a well by September 17, 2001, the Respondent, International Asset Management, Inc., has agreed to pay this fine as later stated herein. However, the Respondent shall within the next thirty (30) days either plug and abandon the subject well according to the Commission rules, or will file a permit for use of this well as a disposal well in accordance with the rules and regulations of the Commission.

7. The total fines concerning the Respondent, International Asset Management, Inc., in the amount of \$6,000.00 shall be paid as follows:

- (a) \$2,000.00 at the time of issuance of this order by the Commission.
- (b) The remaining sum of \$4,000.00 shall be payable in six (6) equal monthly installments of \$667.00 with the first payment being due on or before November 10, 2001 and with the remaining five (5) payments being due on or before the 10th day of each of the next succeeding five (5) months.

8. The parties have further agreed and stipulated that by the entering into of this order by the Respondent, International Asset Management, Inc., shall in no event be deemed an admission of any type whatsoever by the Respondent. Further, this order was entered into by the Respondent, International Asset Management, Inc., solely as a settlement of these citations with the Commission. In no event can any of the terms and conditions of this order of the Commission concerning citations numbered OGC 2001-00049-T, 2001-00050-T and 2001-00052-T ever be used as evidence in any Court proceeding. It was expressly stated by the Respondent at the time of the hearing that in the event that this order or any portion thereof could be used in any Court proceedings that the Respondent would not have entered this settlement agreement with the Commission.

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ORDER

IT IS THEREFORE ORDERED by the Corporation Commission of the State of Oklahoma as follows:

1. That the Respondent, International Asset Management, Inc., shall comply with the terms and conditions contained in the findings herein concerning the oil and gas lease being located in a portion of Section 3, Township 28 North, Range 15 East, Nowata County, Oklahoma. Further, the findings set forth herein are hereby incorporated into the express terms of this Order of the Commission.

2. That the fine of \$6,000.00 shall be paid by the Respondent, International Asset Management, Inc., as set forth by the findings herein.

CORPORATION COMMISSION OF OKLAHOMA

Denise A. Bode

DENISE A. BODE, CHAIRMAN

Bob Anthony

BOB ANTHONY, VICE-CHAIRMAN

Ed Apple

ED APPLE, COMMISSIONER

DONE AND PERFORMED on this 18 day of October, 2001.

BY ORDER OF THE COMMISSION:

Peggy Mitchell
PEGGY MITCHELL, SECRETARY

ACCEPTED AND APPROVED:

Lee I. Levinson
LEE I. LEVINSON, ATTORNEY FOR
THE APPLICANT, INTERNATIONAL ASSET
MANAGEMENT, INC.

KENT TALBOT, ATTORNEY
090501a/ml

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ORDER

IT IS THEREFORE ORDERED by the Corporation Commission of the State of Oklahoma as follows:

1. That the Respondent, International Asset Management, Inc., shall comply with the terms and conditions contained in the findings herein concerning the oil and gas lease being located in a portion of Section 3, Township 28 North, Range 15 East, Nowata County, Oklahoma. Further, the findings set forth herein are hereby incorporated into the express terms of this Order of the Commission.
2. That the fine of \$6,000.00 shall be paid by the Respondent, International Asset Management, Inc., as set forth by the findings herein.

CORPORATION COMMISSION OF OKLAHOMA

DENISE A. BODE, CHAIRMAN

BOB ANTHONY, VICE-CHAIRMAN

ED APPLE, COMMISSIONER

DONE AND PERFORMED on this _____ day of October, 2001.

BY ORDER OF THE COMMISSION:

PEGGY MITCHELL, SECRETARY

ACCEPTED AND APPROVED:

LEE I. LEVINSON, ATTORNEY FOR
THE APPLICANT, INTERNATIONAL ASSET
MANAGEMENT, INC.

Kent Talbot

KENT TALEBOT, ATTORNEY
090501a/ml

OBAN 8828
10-08-01

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REPORT OF THE ADMINISTRATIVE LAW JUDGE

The foregoing findings and order are the report and recommendations of the Administrative Law Judge.

APPROVED:

 10-9-01
ADMINISTRATIVE LAW JUDGE DATE

TECHNICAL

DATE