

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**Oil & Gas Docket No. 04-0299463**

**Enforcement Action Against Chestnut  
Exploration And Production, Inc.  
(Operator No. 147847) For Violations  
Of Statewide Rules On The Sauz  
Mulatos Pasture (03366) Lease, Well  
Nos. 12, 24, 35, 155 And 156, Willamar  
Field, Willacy County, Texas**

**FINAL ORDER**

The Commission finds that, after statutory notice in the above-numbered case, heard on February 16, 2017, the Administrative Law Judge has made and filed a Proposal for Decision containing findings of fact and conclusions of law, which was served on all parties of record, and that this proceeding was duly submitted to the Railroad Commission of Texas at a conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the proposal for decision and the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Railroad Commission of Texas that that Chestnut Exploration and Production, Inc. be assessed an administrative penalty of \$8,462.50 and that Chestnut Exploration and Production, Inc. be directed to place the Sauz Mulatos Pasture (03366) Lease fully into compliance with all Commission rules and regulations within 30 days of the date this order becomes final.

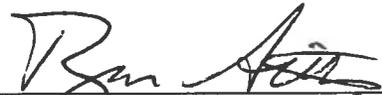
Each exception to the Proposal for Decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

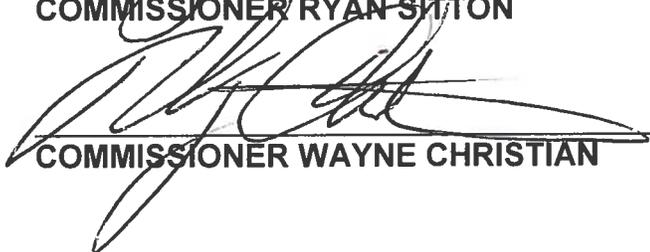
It is further **ORDERED** by the Commission that this order shall not be final and effective until 25 days after a party is notified of the Commission's order. If a timely motion for rehearing of an application is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE § 2001.146(e) and 16 TEX. ADMIN. CODE § 1.149(c), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law is hereby extended until 90 days from the date the Commission Order is signed.

Done this 25<sup>th</sup> day of April, 2017.

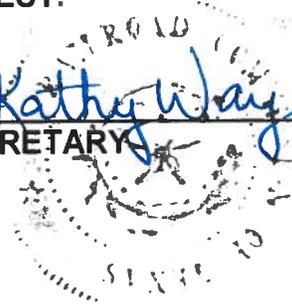
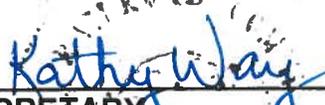
**RAILROAD COMMISSION OF TEXAS**

  
\_\_\_\_\_  
**CHAIRMAN CHRISTI CRADDICK**

  
\_\_\_\_\_  
**COMMISSIONER RYAN SITTON**

  
\_\_\_\_\_  
**COMMISSIONER WAYNE CHRISTIAN**

**ATTEST:**

  
  
\_\_\_\_\_  
**SECRETARY**