



FIRED:

Texas Oil and Gas Regulators Say They Tried to Enforce Rules, Lost Jobs

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PEARSALL, Texas—During their careers as oil and gas inspectors for the Texas Railroad Commission, Fred Wright and Morris Kocurek earned merit raises, promotions and praise from their supervisors.

They went about their jobs—keeping tabs on the conduct of the state’s most important industry—with gusto.

But they may have done their jobs too well for the industry’s taste—and for their own agency’s.

Kocurek and Wright, who worked in different Railroad Commission districts, were fired within months of each other in 2013. Both say their careers were upended by their insistence that oil and gas operators follow rules intended to protect the public and the environment.

The incidents Kocurek and Wright describe offer an inside look at how Texas regulates the oil and gas industry, a subject InsideClimate News and the Center for Public Integrity have been investigating for more than a year and a half.

The investigation has found that the [Railroad Commission](#) and its sister agency, the [Texas Commission on Environmental Quality](#), focus more on protecting the industry than the public, an approach tacitly endorsed by the state’s political leaders. The Railroad Commission is controlled by three elected commissioners who, combined, accepted nearly \$3 million in campaign contributions from the industry during the 2012 and 2014 election cycles, according to data from the [National Institute on Money in State Politics](#). Gov. Rick

Perry collected a little less than \$11.5 million in campaign contributions from those in the industry since the 2000 election cycle. The governor-elect, Attorney General Greg Abbott, accepted more than \$6.8 million.

Wright's job with the Railroad Commission was a particularly important one.

The commission issues permits for oil and gas wells, and Wright spent much of his time inspecting newly built wells and determining whether they were safe enough to become operational. Shoddy well construction is considered a primary cause of groundwater contamination at drilling sites. His job also included making sure decommissioned wells were properly plugged with cement, so residual oil and gas didn't pollute groundwater.

Wright was known as a stickler for regulations. One industry executive complained that Wright returned unapproved applications "dripping in red pen."

Wright said he was often encouraged to bend the rules.

In a July 2013 [complaint](#) he filed with the commission to protest his firing, he said his superiors told him to say "operators had complied with certain rules when they had not." According to a [letter](#) his attorney wrote to the U.S. Department of Labor, he was "threatened, intimidated, and coerced into not requiring operators to comply with the rules and laws with which the RRC is charged with enforcing."

Kocurek's primary job was to enforce another Railroad Commission mandate: Making sure the industry's often-toxic waste was disposed of properly. Kocurek said his bosses never directly told him to go easy on the industry but made it clear that's what they wanted. He said they were slow to process the violation notices he issued and sometimes assigned follow-up investigations to more lenient inspectors.

The Railroad Commission declined to comment on the men's dismissals. Spokeswoman Ramona Nye said the agency doesn't discuss personnel issues.

Wright, 64, and his attorney declined to be interviewed for this article because of his pending litigation, but hundreds of pages of records released under the Texas Public Information Act provide details about the deterioration of his career. Wright has filed a [civil lawsuit](#) alleging wrongful termination. He has also filed a [federal whistleblower complaint](#).

Kocurek, 61, hasn't taken any legal action. He said he prefers to forget about his 18-month stint with the Railroad Commission.

Several of the accounts Kocurek shared in interviews for this report were corroborated by documents obtained from the Railroad Commission through the open-records requests and by Deputy Sheriff Hector Zertuche, the environmental crimes officer for Jim Wells County,

In February of 2013 I filed a complaint with the Director of the Oil and Gas Division [DOGD]. This complaint was about my being asked to approve completion reports certifying that oil and gas operators had complied with certain rules when they had not. The initial complaint did not deal directly with fresh water protection however, I was asked to provide more detail about my complaint and in April of 2013 I submitted a requested supplement to that complaint. This supplement addressed numerous incidents with regard to protection of fresh water and other RRC rule violations while pointing out that District management wasn't requiring operators to comply with the rules and that I was being coerced to not require operators to comply. The incidents addressed in this complaint supplement went back more than a year. The Director of the Oil and Gas Division, Deputy Director of Field Operations [DDFO] and Assistant Director of Field Operations [ADFO] were all sent copies of this supplement, per the instructions requesting the supplement. Some corrective action was taken with regard to the initial complaint issues in response to this complaint; however, I received a reprimand in May 2013, citing my need to get along better with operators, filing complaints and inserting myself into management issues. I was told that operators were complaining about me. I asked for specific examples, going so far as to file an open records request, and my request was denied.

From the July 2013 complaint

who often worked alongside Kocurek. A U.S. Fish and Wildlife officer corroborated another account.

Kocurek said he realized soon after he was hired that the industry held great sway with the commission: Phone calls were made, and violations disappeared.

“It didn’t take long to see what was happening,” he said. “Go through the motions, but don’t really do your job. That’s what everybody wanted.”



Former Railroad Commission inspector Morris Kocurek checks the compliance of an oil and gas waste facility. (Credit: Hector Zertuche)

‘Operators Complain that You Are Unreasonable’

Wright joined the Railroad Commission in 2007 with an impressive résumé: a bachelor’s degree in engineering, post-graduate training in petroleum engineering and more than a decade of experience with the oil and gas industry and the U.S. Bureau of Land Management.

Year after year, formal performance reviews by his supervisors indicated that the quality and quantity of his work met the commission’s requirements. Never once was a box checked indicating that his work was unsatisfactory or needed improvement.

He was promoted two times and given merit and retention bonuses, according to [performance appraisals](#) obtained under an open-records request. His monthly salary increased from \$3,541 to \$4,325.

Wright’s official performance evaluations for 2007 and 2008 show he met all of the requirements for his job. He got his first [promotion](#) in 2008.

In 2009 his work was again rated satisfactory, but a note from his supervisor hinted of trouble.

“Mr. Wright should continue to improve his knowledge of RRC rules and policies and their nuances [when an exception is warranted],” said a note [in his evaluation](#). (The bracketed phrase was in the evaluation.)

In his [2010 evaluation](#), Wright was praised for “excellent knowledge of RRC rules, regulations and policies.” But again the praise came with a caveat.

“He needs to have a better understanding that there can be and are exceptions to many of them if the circumstances seem to meet the required objective,” the unsigned document said.

In a rebuttal to that evaluation, Wright described how one of his bosses had renewed a permit for a “land farm” over Wright’s objections. A land farm is the term used for a commercial operation where waste from oil and gas extraction is spread on top of the ground.

Wright said the permit should have been denied because samples of the contaminated waste that was to be spread on the land “exceeded the level that would classify the material as hazardous waste,” making it “ineligible for land farming.”

A 2012 evaluation again praised Wright’s knowledge of commission rules but suggested he should “continue to improve relations with operators.”

When industry members complained about Wright, his boss was quick to respond, as reflected in a 2012 email exchange between the operations manager of a company that plugged old wells and Wright’s boss at the time, Charlie Teague.

“Every time we call in to get a variance from Fred he comes up with some very different and costly methods that are not practical for plugging operations,” the operator wrote to Teague. Teague did not respond to an InsideClimate News request for comment.

Teague later sent Wright an email saying Wright would no longer be reviewing that company’s work. Teague and two other commission inspectors would now handle the job, Wright was told. The email offered no explanation for the change.

Wright responded with an email to Teague: “I don’t see any justification for me being excluded [from] handling plugging operations in my areas of responsibility, based on an unsupported claim from a plugging company.”

Teague replied: “I have to allow an operator or plugger a way to appeal when he believes our requirements are unreasonable.”

‘A Hard-Working and Loyal Employee’

Landing a job as an inspector with the Railroad Commission was something Morris Kocurek had wanted since he graduated from Florida Atlantic University with a degree in geology. He worked in the industry for a while, then took a job as a prison guard before being hired by the commission in January 2012.



• On March 27, 2009 Guy approved a land farming permit for pit bottoms from a commercial disposal pit, after I express reservations based on the fact that the sample analysis submitted showed TCLP contaminants much lower than expected for a pit that had not been inspected for 20 years and took fluids that other disposal facilities would not. The P-4 for this facility had been severed in October 2008 because they had not cleaned out the pit to perform the required annual inspection. This operator had submitted protest letters about having to cleanout the pit for inspection and for having to submit sample analyses of the pit bottoms before land farming could be approved. The land farming of these pit bottoms was not done within the time frame allowed by the permit that Guy approved and the violation letter that I sent to them; on September 15, 2009, requiring that a new permit be obtained did not receive a response. Sample analyses submitted by the operator on May 4, 2010 reported that Chlorides, TPH and EC exceeded acceptable levels and samples were collected by a RRC inspector on May 18, 2010 from the land farming and bioremediation areas and analyzed. The RRC sample analyses reported that the TCLP continuing contamination in both the bioremediation and land farming areas exceeded the level that would classify that material as hazardous waste and ineligible for land farming. Analyses of samples collected by the operator approximately two weeks prior to the RRC sampling reported TCLP below detectable levels, similar to there pre-land farming analyses. RRC sample analyses also reported chloride levels above acceptable levels for even land farming drilling mud. Despite these results and the fact that; all of the operator submitted analyses become questionable when compared to the RRC samples, Guy said that they should continue land farming this material instead of excavating it.

From Wright's rebuttal to his 2010 evaluation

“This is a job I knew I had to earn,” he said in an interview. “And I was going to do the best I could.”

Kocurek apparently flourished in his first year.

“Edwin Morris Kocurek is a hard-working and loyal employee,” said his first [evaluation](#), obtained through an open-records request. “The quantity and quality of his inspections and investigations, especially involving waste haulers, is instrumental in the reduction of the number of oil-based waste spillage on highways.”



This facility ignored repeated violations filed by former Railroad Commission inspector Kocurek. (Credit: Hector Zertuche)

In the first 15 months of his 18-month stint with the commission [Kocurek earned two merit bonuses](#) that bumped his salary to \$3,200 a month. He consistently met the requirements of his job, according to personnel records.

Kocurek often teamed with Deputy Sheriff Hector Zertuche, the environmental crimes officer for Jim Wells County, an area in South Texas about 45 miles from Corpus Christi. Together they’d stake out facilities they suspected of having unpermitted pools of waste. They also used the powers of their separate agencies to cite waste haulers for spilling sludge along roadways.

“I was out there doing my job,” Kocurek said. “They told me to go get ‘em—so I did.”

But Kocurek sensed something was amiss. He said nothing came of many of the violation notices he filed with his office. He was given what he felt were trivial assignments in areas away from where real violations were occurring.

“I was never told straight up to back off. But I was getting the message. They didn’t like my style.”

Zertuche, the sheriff’s deputy, said he, too, noticed the Railroad Commission’s inaction.

“The office was always dragging their feet, not taking action on things Morris reported,” Zertuche said in an interview. “He was reporting these things over and over. The same things, and nothing was happening.”

Kocurek became especially frustrated with a commercial waste facility in Jim Wells County. He said he watched waste haulers back up to the pit and unleash torrents of watery muck. He watched the pit grow bigger every month, despite the numerous reports he wrote about the facility.

“It didn’t seem to matter that they didn’t have the permit for disposing of this kind of material,” Kocurek said. “And it didn’t seem to matter that they were caught doing it.”

Kocurek thinks his downfall came when he pushed hard against another waste disposal pit, where he often saw ducks sitting on top of a berm surrounding a pool of sludge. The facility had a permit for water-based waste, not oil. But Kocurek said the waste was black and sludgy thick. It had an oily sheen on the surface and smelled awful.

“This place was a disaster,” he said. “I went after them. I wrote report after report.”

One of those [reports](#) showed the facility hadn’t responded to his notice—issued more than a month earlier—that it needed to remove the oil from its site.

“There has been no visible progress of oil removal,” he said in the April 2012 inspection report.

In several reports he urged the pit operators to safeguard the birds.

COMMENTS: THE PIT WHICH MEASURES 715' X 320' IS STILL IN VIOLATION OF STATE WIDE RULE 8(D)(1) OIL DISCHARGED ON SURFACE. SEE PHOTOS IMG-0886.87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97 ALSO NO CHANGE IN STATUS FOR PROTECTION OF BIRDS RULE 22 VIOLATION. ALSO NOTED UNKNOWN ANIMAL TRACKS ENTERING OIL BASED MUD. ALL OIL BASED SAMPLES WERE VERIFIED WITH OIL ABSORBENT PADS.

From Kocurek's October 2012 inspection report

“No change in status for birds,” Kocurek [wrote in October 2012](#).

One day he noticed the ducks were gone from the berm. When he went closer, he found dead birds in the oily water.

“When I saw the carcasses floating in the water, I knew I had a way to finally stop what was going on with this place,” he said in an interview.

Kocurek documented the scene with notes and diagrams and called the U.S. Fish and Wildlife Service.

“I did what had to be done,” he said. “I went to the feds because the commission wasn’t doing anything.”

A Fish and Wildlife special agent collected the bodies of two birds at the site, a redhead duck and a mourning dove. The agent’s supervisor, David Hubbard, said the agent saw a sheen floating on top of a black, soupy pond. He said heavy petroleum odors hung in the air.

Hubbard said Kocurek briefed the agent on the pit’s history and the notices he had issued. “It didn’t look like they had met the deadlines in the notices,” Hubbard said the agent told him.

Forensic tests showed the birds died after becoming coated in sludge, Hubbard said. The pit operators were fined \$700—an amount typical for a first offense of this sort—under the Migratory Bird Treaty Act, a federal statute that makes it illegal to kill migratory birds.

Kocurek said his bosses asked him why he had alerted Fish and Wildlife without first getting commission approval, but they didn’t give him an official reprimand. After the federal investigation concluded, they authorized him to close the facility.

He took Zertuche, the sheriff's deputy, with him the day he put a lock on the gate.

"It was this big ol' lock with a warning sticker saying it was a crime to tamper with it," Zertuche said. "We hung that lock on the gate and said 'Finally, we got the place shut down.'"

Zertuche thinks Kocurek's bosses didn't like being backed into a corner by Fish and Wildlife.

"After he called and got the feds on the case, well, I think the commission couldn't look the other way anymore," Zertuche said. "They were forced to do something."

'They said, That's It. You're Done.'

Kocurek and Wright lost their jobs within six weeks of each other in 2013.

About a month after Kocurek padlocked the pit where the birds had died, he was assigned to the hinterlands around Laredo, wide-open expanses of mesquite and cactus where there wasn't much to do. He said he spent his time doing "Mickey Mouse make-work," digging through old records for long-abandoned well sites.

It seemed odd, but Kocurek said he didn't protest.

Then one day he was summoned to the Railroad Commission's district office in Corpus Christi.

"They said, 'That's it. You're done,'" Kocurek said. "There was no discussion. Just turn in your stuff."

The first issue is regarding insubordination, more specifically, refusing assigned tasks delegated by the District Director through the "chain of command." The second issue is regarding your usage of inappropriate comments during discussions with members of the District Office Staff, in violation of the Commission's EEO policy, on multiple occasions.

From Kocurek's dismissal paperwork

He handed over the keys to his agency-issued truck, dropped his commission identification on his boss's desk and walked out the door. A Railroad Commission employee drove him 80 miles to his home in Freer.

Kocurek said he was told he had been terminated "for cause," a catchall term that allows dismissal for just about any reason.

But a Railroad Commission [employee performance form](#) that InsideClimate News obtained through an open-records request described Kocurek as "insubordinate." It said he refused to submit paperwork when ordered to do so and that he didn't adhere to the "chain of command" and refused assignments.



Texas Railroad Commission officials finally locked the gate to a waste pit after Inspector Morris Kocurek had been trying for nearly a year to compel operators to comply with environmental regulations. (Credit: Texas Railroad Commission)

On the back of the form is a handwritten note: *“This counseling form was not given to Mr. Kocurek, but is being placed in his file.”*

When Kocurek was shown the document by InsideClimate News, he disputed the accusations.

Kocurek now works 12-hour shifts as a night watchman guarding the entrance to a drilling patch. He said he uses the quiet time at night to ponder a move to Puerto Rico or maybe Hawaii.

‘Legal and Routine’

Wright’s problems peaked in 2013.

In May, [a performance counseling form](#) said “unsolicited complaints continue to be received regarding your relationship with operators. Operators report that you are difficult to work with.”

Performance counseling—usually a less-formal review by an immediate supervisor—is separate from annual employee evaluations and is done when a problem arises that needs immediate attention.

The document said Wright was condescending and had “resorted to name-calling,” though no examples were offered.

“Operators complain that you are unreasonable and do not attempt to offer solutions to bring them in compliance with commission rules.”

In his wrongful-termination lawsuit, Wright traces his dismissal to a [complaint](#) he filed in February 2013 against Teague, the boss he had clashed with in 2012. In the complaint filed with Gil Bujano, the Railroad Commission’s oil and gas division director, Wright said Teague ordered him to sign off on two new wells that didn’t meet state requirements to become operational.

Wright’s lawyer described the incident later in a letter to the Labor Department. Teague “directed Wright to ‘approve the completion reports,’ banging on Wright’s desk as he gave this direction,” the letter said. “Wright repeatedly complained about being asked to help operators violate Statewide Rules.”

Wright approved one of the wells after the operator agreed to bring it into compliance, according to the letter. He refused to approve the second well.

Wright was told that instead of requiring operators to correct problems before their wells became operational, he should note the deficiencies at the same time he approved the projects, his attorney said. That way the wells could go into production and the operators could fix the problems later.

In a [letter the Railroad Commission sent to the Labor Department in response](#) to Wright’s complaint, the agency said Wright should have handled the problem differently, by filing a form that could have allowed the commission to shut the wells down.

The commission has used that tool for decades, said the letter from commission lawyer Jason Boatwright, on hundreds of wells throughout the state.

“The Commission did not instruct Mr. Wright to approve inaccurate wellbore completion reports,” according to the letter.

There is no evidence Wright’s complaint resulted in any action against his supervisors. But three months later Wright himself received a stinging rebuke.

The mere fact of complaining “clearly demonstrates your continued resistance to acknowledge constructive guidance from your supervisors,” [said the memo](#) Wright received from Bujano. Bujano did not respond to a request for comment.

The Railroad Commission cited one [grievance](#) in particular as a reason for Wright’s termination. It was from a former Railroad Commission employee who had gone to work for an oil and gas developer.

“I have not sent in a completion report to the commission for our Central Texas properties that hasn’t had Mr. Wright hold up for some reason,” said the email from Douglas W. Storey of Houston-based Fidelity Exploration & Production Company.

“Dealing with Mr. Wright becomes an effort in futility in that he will not give any operator the benefit of the doubt and considers himself right in all cases.”

Storey said Wright often returned applications “[dripping in red pen.](#)”

“Mr. Wright is usually in some form or manner correct but does not realize ... that the intent of the rule or order may not be as black and white as he seems to think,” the oil and gas manager said in the email.

Emails obtained under an open-records request indicate that Storey’s complaint wasn’t spontaneous. It was solicited by Ramon Fernandez, a commission official based in the agency’s oil and gas field office in Austin, on April 16, 2013, seven weeks after Wright filed his formal complaint against his boss. Fernandez is the deputy director for the field office. The director is Gil Bujano, who had sent Wright the stinging memo about the complaint.

“Hi Doug,” Fernandez wrote to Storey. “Please send me your issues with Fred. I have received a couple of others. Want to compile everything. Thx for your help.” The email was signed “Ramon.”

The Commission did not instruct or ask Mr. Wright to approve inaccurate wellbore completion reports. Instead, the Commission asked Mr. Wright to note that certain reports were deficient, and process them as deficient, a practice that is legal and routine. However, Mr. Wright held some deficient reports in a processing queue for months without doing anything about them.

Consequently, the Commission instructed Mr. Wright to process the reports with a “forms lacking” code, which assigns a well a lease identification number. Assigning a lease identification number allows the Commission to seal-in a well, which stops production, and issue a pipeline severance, which prevents an operator from selling oil and gas from the well. Processing the wells as “forms lacking” also enables the Commission to access a wellbore completion report through the Commission’s online system and assign employees to correct a report’s deficiencies. That enables the Commission to bring well completions into legal compliance.

Processing deficient reports with a “forms lacking” code is perfectly legal and has been standard procedure for decades, a tool that the Commission has used on hundreds of wells throughout the state. Nevertheless, several times over the course of several years, Mr. Wright refused to process deficient reports with a “forms lacking” code. His refusals prevented the Commission from taking steps necessary to correct deficient reports. His refusals were also insubordinate.

From the Railroad Commission's response to the Labor Department

The Railroad Commission wouldn't comment on Wright's case, but Boatright's letter to the Labor Department said Wright had been fired because "he refused to follow legal and appropriate instructions and requests."

This story is part of an ongoing project by InsideClimate News and the Center for Public Integrity. CPI reporters David Heath and Ben Wieder contributed to this report.