

RAILROAD COMMISSION OF TEXAS

Christi Craddick, *Chairman*
David Porter, *Commissioner*
Barry T. Smitherman, *Commissioner*

INTERNAL
Timothy A. Poe,
Acting Director, Oil and Gas Division

MEMORANDUM

November 25, 2014

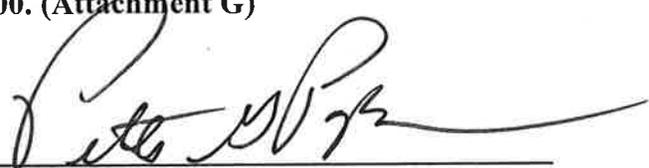
**TO: Chairman Christi Craddick
Commissioner David Porter
Commissioner Barry T. Smitherman**

**FROM: Peter G. Pope, Assistant Director
Site Remediation**

**SUBJECT: Site Remediation's Summary Report
October 2014**

The monthly report concerning the State-managed pollution site cleanup activities is attached. This report contains the following:

- 1. A summary of all attachments (Attachment A)**
- 2. In October 2014, a total of four activities were completed at a total cost of \$111,193.15. (Attachment B)**
- 3. Of the activities completed in October 2014, one activity exceeded the original award or work order amount by greater than 10%. (Attachments C, D, & E)**
- 4. Of the activities completed in October 2014, three were routine cleanup activities, and one was an assessment activity. (Attachment F)**
- 5. In October 2014, a total of 31 activities were authorized for bid solicitation and codes for a total estimated cost of \$412,100.00. (Attachment G)**



Peter G. Pope

**PGP/dc
Attachments**

ATTACHMENT A

Monthly State-Managed Pollution Site Cleanup Activities
for October 2014 and FY 2015 to date

Completed Cleanup Activities (See Attachments B, C, D, E, F, and H)

1.	Number of Cleanup Activities Completed in Oct 2014	4
	Total Cost of Cleanup Activities Completed in Oct 2014	\$ 111,193.15
	Number of Activities with Post-Close* Invoices Approved in Oct 2014	0
	Total Amount of Post-Close Invoices Approved in Oct 2014	\$ 0.00
	Total Number of Cleanup Activities where the Final Cost exceeded the Award or Work Order Amount by > 10% in Oct 2014	1
2.	Number of Cleanup Activities Completed in FY 2015	6
	Total Cost of Cleanup Activities Completed in FY 2015	\$ 718,301.18
	Number of Activities with Post-Close Invoices Approved in FY 2015	0
	Total Amount of Post-Close Invoices Approved in FY 2015	\$ 0.00
	Total Number of Cleanup Activities where the Final Cost exceeded the Award or Work Order Amount by > 10% in FY 2015	2
3.	Grand Total (Completed Activities plus Post-Close Invoices) for Oct 2014	\$ 111,193.15
	Grand Total (Completed Activities plus Post-Close Invoices) for FY 2015	\$ 718,301.18

New Cleanup Activities (See Attachment G)

1.	Number of Cleanup Activities Authorized for Bid Solicitation and Codes Issued in Oct 2014	31
	Estimated Cost of Cleanup Activities Authorized in Oct 2014	\$ 412,100.00
2.	Number of Cleanup Activities Authorized for Bid Solicitation and Codes Issued in FY 2015	52
	Estimated Cost of Cleanup Activities Authorized in FY 2015	\$ 609,780.80

Cleanup Activities Approved But Not Completed

1.	Total Number of Remaining Cleanup Activities as of the last day of Oct 2014	69
	Total Estimated Cost of Remaining Cleanup Activities	\$ 2,248,652.95

Cleanup Activities Canceled Without Cost to State

1.	Number of Authorized Cleanup Activities Canceled in Oct 2014	3
	Total Number of Authorized Cleanup Activities Canceled in FY 2015	3

*Reflects invoice amounts approved AFTER a Cleanup Activity is formally closed (from a prior reporting month).

ATTACHMENT B

SUMMARY OF CLEANUP ACTIVITIES COMPLETED

October 1, 2014 to October 31, 2014

DISTRICT	THIS MONTH		YEAR TO DATE	
	ACTIVITIES COMPLETED	TOTAL OF INVOICES	ACTIVITIES COMPLETED	TOTAL OF INVOICES
01	0	\$ 0.00	0	\$ 0.00
02	0	\$ 0.00	0	\$ 0.00
03	1	\$ 12,248.25	1	\$ 12,248.25
04	0	\$ 0.00	1	\$ 964.00
05	0	\$ 0.00	0	\$ 0.00
06	1	\$ 153.00	1	\$ 153.00
6E	0	\$ 0.00	1	\$ 606,144.03
7B	1	\$ 21,194.09	1	\$ 21,194.09
7C	0	\$ 0.00	0	\$ 0.00
08	0	\$ 0.00	0	\$ 0.00
8A	0	\$ 0.00	0	\$ 0.00
09	1	\$ 77,597.81	1	\$ 77,597.81
10	0	\$ 0.00	0	\$ 0.00
TOTALS	4	\$ 111,193.15	6	\$ 718,301.18
GRAND TOTALS*		\$ 111,193.15		\$ 718,301.18

*Grand Total line includes all Post-Close Invoice amounts.

ATTACHMENT C

SUMMARY OF COST OVERRUNS FOR COMPLETED CLEANUP ACTIVITIES

October 1, 2014 to October 31, 2014

	THIS MONTH	YEAR TO DATE
DISTRICT	Final Cost Exceeded the Contract Amount by more than 10 percent	Final Cost Exceeded the Contract Amount by more than 10 percent
01	0	0
02	0	0
03	1	1
04	0	0
05	0	0
06	0	0
6E	0	1
7B	0	0
7C	0	0
08	0	0
8A	0	0
09	0	0
10	0	0
TOTALS	1	2

ATTACHMENT D

LIST OF COST OVERRUNS > 10% OF ORIGINAL AWARD AMOUNT
(Single Cleanup per Requisition or Bundled Bid)

October 1, 2014 to October 31, 2014

DIST. NO.	REQ. NUMBER	CLEANUP ID	ORIGINAL AWARD	APPROVED INVOICES	PERCENT
Total number of cleanup activities where the final cost exceeded the original award amount by greater than 10 percent.					0

LIST OF COST OVERRUNS > 10% OF ORIGINAL CONTRACT AMOUNT
(Multiple Cleanup per Requisition - Work Order or Prof. Services Bid)

October 1, 2014 to October 31, 2014

DIST NO.	REQ. NUMBER	CLEANUP ID	BID TYPE	ORIGINAL CONTRACT	APPROVED INVOICES	PERCENT
03	455-10-1046	03-225117	Work Order	\$ 4,910.60	\$ 12,248.25	149.42%
Total number of Cleanup activities (Work Orders, etc...) where the final cost exceeded the original contract amount by greater than 10 percent.						1

ATTACHMENT E

Cost Overruns Greater than 10%

03-225117; ATASCA RES. (035643); RAUN (204228); Wharton County

Original Contract Amount - \$4,910.60, Final Cost - \$12,248.25, Increase of 149.42%

THIS JOB WAS LET TO ENSOURCE CORPORATION ON 6/27/2014. CONTENTS OF THE AST ON SITE TURNED OUT TO BE SOLIDIFIED DRILLING MUD INSTEAD OF BS&W, REQUIRING ADDITIONAL DAYS AND EQUIPMENT TO COMPLETE THE CLEANUP. TOTAL EXPENDITURES WERE \$12,248.25.

ATTACHMENT F

SUMMARY OF CLEANUP ACTIVITIES COMPLETED BY ACTIVITY TYPE

October 1, 2014 to October 31, 2014

TYPE OF ACTIVITY	THIS MONTH		YEAR TO DATE	
	ACTIVITIES COMPLETED	TOTAL OF INVOICES	ACTIVITIES COMPLETED	TOTAL OF INVOICES
Cleanup	3	\$ 89,999.06	4	\$ 696,143.09
Emergency	0	\$ 0.00	0	\$ 0.00
Assessment	1	\$ 21,194.09	2	\$ 22,158.09
Partial	0	\$ 0.00	0	\$ 0.00
Miscellaneous	0	\$ 0.00	0	\$ 0.00
Abatement	0	\$ 0.00	0	\$ 0.00
TOTALS	4	\$ 111,193.15	6	\$ 718,301.18
GRAND TOTALS*		\$ 111,193.15		\$ 718,301.18

*Grand Total line includes all Post-Close Invoice amounts.

ATTACHMENT G

SUMMARY OF CLEANUP ACTIVITIES APPROVED/CODES ISSUED

October 1, 2014 to October 31, 2014

DISTRICT	THIS MONTH		YEAR TO DATE	
	ACTIVITIES APPROVED	ORIGINAL COST ESTIMATE	ACTIVITIES APPROVED	ORIGINAL COST ESTIMATE
01	7	\$ 61,900.00	21	\$ 217,900.00
02	0	\$ 0.00	0	\$ 0.00
03	2	\$ 900.00	2	\$ 900.00
04	3	\$ 24,000.00	4	\$ 25,180.80
05	4	\$ 32,700.00	4	\$ 32,700.00
06	5	\$ 55,100.00	6	\$ 65,100.00
6E	0	\$ 0.00	0	\$ 0.00
7B	1	\$ 4,000.00	2	\$ 6,000.00
7C	2	\$ 8,500.00	2	\$ 8,500.00
08	1	\$ 9,000.00	1	\$ 9,000.00
8A	2	\$ 26,000.00	4	\$ 45,000.00
09	4	\$ 190,000.00	6	\$ 199,500.00
10	0	\$ 0.00	0	\$ 0.00
TOTALS	31	\$ 412,100.00	52	\$ 609,780.80

CLEANUP ACTIVITIES APPROVED BUT NOT COMPLETED AS OF October 31, 2014

Remaining Authorized Cleanup Activity Count: 69
 Total Estimated Cost of Remaining Cleanup Activities: \$ 2,248,652.95

ATTACHMENT H

ACTIVITIES WITH POST-CLOSE INVOICES APPROVED

October 1, 2014 to October 31, 2014

<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>County Lse/Gas ID</u>	<u>Site Rank</u>	<u>Date Approved</u>	<u>Total of Invoices</u>	
					<u>Activities Adjusted</u>	<u>Total of Invoices</u>	
Total (all Districts)						0	\$ 0.00

CLEANUP ACTIVITIES CANCELED WITH NO COST TO STATE

October 1, 2014 to October 31, 2014

<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>County Lse/Gas ID</u>	<u>Site Rank</u>	<u>Number Canceled</u>	<u>RRC Estimate</u>
01	225983	PETROLEUM OILFIELD SERVICES INC. WELLS-TOUCHSTONE	ATASCOSA 01649	CU-A	<u>1</u>	<u>\$ 4,000.00</u>
6E	223819	B & B OIL, INC. SILER, W. H. R/A -A-	RUSK 07609	CU-A	<u>1</u>	<u>\$ 44,000.00</u>
7B	221136	UNIDENTIFIED ABSTRACT 378 PROPERTY	JONES <NA>	CU-A	<u>1</u>	<u>\$ 270,000.00</u>
Total (all Districts)					<u>3</u>	<u>\$ 318,000.00</u>

SUMMARY OF COMPLETED CLEANUP ACTIVITIES
October 1, 2014 to October 31, 2014

					<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>
District 03 Totals					1	\$ 6,500.00	\$ 12,248.25	-\$ 5,748.25
<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>Site Rank</u>	<u>County</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>	
03	225117	ATASCA RESOURCES, INC. RAUN	CU-A	WHARTON Activity Total	\$ 6,500.00	\$ 12,248.25	-\$ 5,748.25	

SUMMARY OF COMPLETED CLEANUP ACTIVITIES
 October 1, 2014 to October 31, 2014

			<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>	
District 06 Totals			1	\$ 200.00	\$ 153.00	\$ 47.00	
<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>Site Rank</u>	<u>County</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>
06	226321	TEXLA OPERATING COMPANY CHEW, W. D. ESTATE OIL UNIT	CU-C	MARION Activity Total	\$ 200.00	\$ 153.00	\$ 47.00

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

October 1, 2014 to October 31, 2014

					<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>
District 7B Totals					1	\$ 32,000.00	\$ 21,194.09	\$ 10,805.91
<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>Site Rank</u>	<u>County</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>	
7B	225756	UNIDENTIFIED MURRAY WATER WELL	AS-A	PALO PINTO Activity Total	\$ 32,000.00	\$ 21,194.09	\$ 10,805.91	

SUMMARY OF COMPLETED CLEANUP ACTIVITIES
October 1, 2014 to October 31, 2014

				<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>	
District 09 Totals				1	\$ 100,000.00	\$ 77,597.81	\$ 22,402.19	
<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>Site Rank</u>	<u>County</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>	
09	225336	LUTZ AND BOYD LOGAN, W. J. ESTATE	CU-A	ARCHER	Activity Total	\$ 100,000.00	\$ 77,597.81	\$ 22,402.19
				<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>	
Grand Totals (all Districts)				4	\$ 138,700.00	\$ 111,193.15	\$ 27,506.85	

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2014 to October 31, 2014

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 01 Totals					7	\$ 61,900.00
<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>County Lse/Gas ID</u>	<u>Site Rank</u>	<u>Number Approved</u>	<u>RRC Estimate</u>
01	226382	WRIGHT BROTHERS ENERGY, INC. HOLMAN, A. D., ETAL	EDWARDS 03470	EC-A	<u>1</u>	<u>\$ 2,000.00</u>
01	226381	CRYSTAL OIL & LAND CO. CARTER, ROBERT W.	CALDWELL 01872	CU-A	<u>1</u>	<u>\$ 15,000.00</u>
01	226377	CRYSTAL OIL & LAND CO. CARTER, ROBERT W.	CALDWELL 01872	CU-A	<u>1</u>	<u>\$ 7,000.00</u>
01	226137	FORTUNE OPERATING COMPANY BENNETT BROS -A-	FRIO 12534	EC-A	<u>1</u>	<u>\$ 2,000.00</u>
01	225983	PETROLEUM OILFIELD SERVICES INC. WELLS-TOUCHSTONE	ATASCOSA 01649	CU-A	<u>1</u>	<u>\$ 4,000.00</u>
01	225917	METAL FORMS INDUSTRIES, INC. WARDLAW RANCH	EDWARDS 02969	CU-A	<u>1</u>	<u>\$ 8,400.00</u>
01	225257	METAL FORMS INDUSTRIES, INC. WARDLAW RANCH	EDWARDS 02969	CU-A	<u>1</u>	<u>\$ 23,500.00</u>

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2014 to October 31, 2014

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 03 Totals					2	\$ 900.00
<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>County Lse/Gas ID</u>	<u>Site Rank</u>	<u>Number Approved</u>	<u>RRC Estimate</u>
03	226437	K. O. C. CORPORATION WILKES & SMITH "A"	BRAZORIA 02795	AS-A	<u>1</u>	<u>\$ 700.00</u>
03	226436	K. O. C. CORPORATION BAKER, CARRIE	BRAZORIA 02793	AS-A	<u>1</u>	<u>\$ 200.00</u>

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2014 to October 31, 2014

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 04 Totals					3	\$ 24,000.00
<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>County Lse/Gas ID</u>	<u>Site Rank</u>	<u>Number Approved</u>	<u>RRC Estimate</u>
04	224438	SOUTHWEST OIL & LAND, INC. SHAEFFER RANCH	JIM WELLS 095611	CU-A	<u>1</u>	<u>\$ 9,000.00</u>
04	226296	UNIDENTIFIED JAMES LEAL, WATER WELL	WEBB N/A	AS-A	<u>1</u>	<u>\$ 2,500.00</u>
04	225916	UNIDENTIFIED CHILTIPIN CREEK SEEP TRENCH	SAN PATRICIO -4337	CU-A	<u>1</u>	<u>\$ 12,500.00</u>

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2014 to October 31, 2014

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 05 Totals					4	\$ 32,700.00
<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>County Lse/Gas ID</u>	<u>Site Rank</u>	<u>Number Approved</u>	<u>RRC Estimate</u>
05	223859	IPACT ERWIN-BEASLEY	NAVARRO 02454	CU-A	<u>1</u>	<u>\$ 7,000.00</u>
05	223857	IPACT LEWIS, WILLIAM	NAVARRO 00413	CU-A	<u>1</u>	<u>\$ 13,500.00</u>
05	222299	NORTHAMERICAN SERVICE GROUP HINDMAN, DAVID	NAVARRO 02498	CU-B	<u>1</u>	<u>\$ 5,700.00</u>
05	223856	IPACT FIRST STATE BANK OF BROWNSBORO	HENDERSON 01834	CU-B	<u>1</u>	<u>\$ 6,500.00</u>

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2014 to October 31, 2014

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 06 Totals					5	\$ 55,100.00
<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>County Lse/Gas ID</u>	<u>Site Rank</u>	<u>Number Approved</u>	<u>RRC Estimate</u>
06	223817	TEXLA OPERATING COMPANY ASHLEY, PEGGY	MARION 129114	CU-B	<u>1</u>	<u>\$ 5,500.00</u>
06	225077	MAYO, EDDIE DEAN, C. W. GAS UNIT	SHELBY 095992	CU-B	<u>1</u>	<u>\$ 12,000.00</u>
06	226321	TEXLA OPERATING COMPANY CHEW, W. D. ESTATE OIL UNIT	MARION 13395	CU-C	<u>1</u>	<u>\$ 200.00</u>
06	226236	LIPPIT, F. G. EATON, G. W.	RUSK <NA>	CU-A	<u>1</u>	<u>\$ 12,400.00</u>
06	226138	LONGLEAF PRODUCTION, LLC BRASHERS	HARRISON 03208	CU-A	<u>1</u>	<u>\$ 25,000.00</u>

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2014 to October 31, 2014

	Number Approved	RRC Estimate
District 7B Totals	1	\$ 4,000.00

Dist	Cleanup ID	Operator Name Lease Name	County Lse/Gas ID	Site Rank	Number Approved	RRC Estimate
7B	226298	QUANTUM INVESTMENTS JACOBS	TAYLOR 30081	CU-B	1	\$ 4,000.00

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2014 to October 31, 2014

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 7C Totals					2	\$ 8,500.00
<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>County Lse/Gas ID</u>	<u>Site Rank</u>	<u>Number Approved</u>	<u>RRC Estimate</u>
7C	221676	SONORAN ENERGY INC. KWB UNIT	TOM GREEN 13227	AS-B	1	\$ 6,000.00
7C	224576	RICE DRILLING COMPANY FENNELL UNIT	RUNNELS 15907	CU-B	1	\$ 2,500.00

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2014 to October 31, 2014

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 08 Totals					1	\$ 9,000.00

<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>County Lse/Gas ID</u>	<u>Site Rank</u>	<u>Number Approved</u>	<u>RRC Estimate</u>
08	211857	OILEX INT'L INVESTMENTS, INC. BYRD, R. J.	MITCHELL 05642	CU-A	1	\$ 9,000.00

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2014 to October 31, 2014

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 8A Totals					2	\$ 26,000.00
<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>County Lse/Gas ID</u>	<u>Site Rank</u>	<u>Number Approved</u>	<u>RRC Estimate</u>
8A	213317	TAMER OIL & GAS SCHUHMACHER -A- LEASE	GAINES 24885	CU-A	<u>1</u>	<u>\$ 9,000.00</u>
8A	225737	GREAT TEXAS CRUDE INC. ENERMAX/SAMEDAN	YOAKUM 69671	CU-A	<u>1</u>	<u>\$ 17,000.00</u>

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2014 to October 31, 2014

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 09 Totals					4	\$ 190,000.00
<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>County Lse/Gas ID</u>	<u>Site Rank</u>	<u>Number Approved</u>	<u>RRC Estimate</u>
09	226336	HAYNES BROS. TANK TRUCKS HAYNES, C. B.	WILBARGER 18274	AS-A	<u>1</u>	<u>\$ 5,000.00</u>
09	225883	MAYO, EDDIE ALLAR	YOUNG 26306	CU-A	<u>1</u>	<u>\$ 5,000.00</u>
09	226237	UNIDENTIFIED HYDRAULIC FRACTURING STUDY	DENTON <NA>	AS-A	<u>1</u>	<u>\$ 170,000.00</u>
09	226616	UNIDENTIFIED MIKE SMITH PROPERTY	WISE <NA>	AS-U	<u>1</u>	<u>\$ 10,000.00</u>
					<u>Number Approved</u>	<u>RRC Estimate</u>
Grand Total (all Districts)					31	\$ 412,100.00