

RAILROAD COMMISSION OF TEXAS

ABC

David Porter, *Chairman*
Christi Craddick, *Commissioner*
Ryan Sitton, *Commissioner*

INTERNAL
Lori Wrotenbery
Director, Oil and Gas Division

MEMORANDUM

December 01, 2015

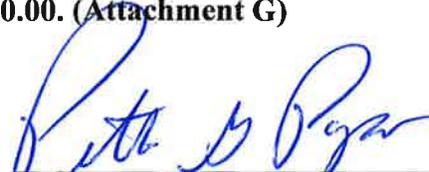
**TO: Chairman David Porter
Commissioner Christi Craddick
Commissioner Ryan Sitton**

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

**SUBJECT: Site Remediation's Summary Report
October 2015**

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 2015, a total of seven activities were completed at a total cost of \$197,729.13. (Attachment B)**
- 3. Of the activities completed in October 2015, three activities exceeded the original award or work order amount by greater than 10%. (Attachments C, D, & E)**
- 4. Of the activities completed in October 2015, two were routine cleanup activities, one was an emergency cleanup activity, three were assessment activities, and one was an abatement activity. (Attachment F)**
- 5. In October 2015, a total of 23 activities were authorized for bid solicitation and codes for a total estimated cost of \$224,700.00. (Attachment G)**



Peter G. Pope

**PGP/dc
Attachments**

ATTACHMENT A

Monthly State-Managed Pollution Site Cleanup Activities for October 2015 and FY 2016 to date

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

1.	Number of Cleanup Activities Completed in Oct 2015	7
	Total Cost of Cleanup Activities Completed in Oct 2015	\$ 197,729.13
	Number of Activities with Post-Close* Invoices Approved in Oct 2015	0
	Total Amount of Post-Close Invoices Approved in Oct 2015	\$ 0.00
	Total Number of Cleanup Activities where the Final Cost exceeded the Award or Work Order Amount by > 10% in Oct 2015	3
2.	Number of Cleanup Activities Completed in FY 2016	12
	Total Cost of Cleanup Activities Completed in FY 2016	\$ 387,935.65
	Number of Activities with Post-Close Invoices Approved in FY 2016	0
	Total Amount of Post-Close Invoices Approved in FY 2016	\$ 0.00
	Total Number of Cleanup Activities where the Final Cost exceeded the Award or Work Order Amount by > 10% in FY 2016	4
3.	Grand Total (Completed Activities plus Post-Close Invoices) for Oct 2015	\$ 197,729.13
	Grand Total (Completed Activities plus Post-Close Invoices) for FY 2016	\$ 387,935.65

New Cleanup Activities (See Attachment G)

1.	Number of Cleanup Activities Authorized for Bid Solicitation and Codes Issued in Oct 2015	23
	Estimated Cost of Cleanup Activities Authorized in Oct 2015	\$ 224,700.00
2.	Number of Cleanup Activities Authorized for Bid Solicitation and Codes Issued in FY 2016	59
	Estimated Cost of Cleanup Activities Authorized in FY 2016	\$ 512,053.16

Cleanup Activities Approved But Not Completed

1.	Total Number of Remaining Cleanup Activities as of the last day of Oct 2015	67
	Total Estimated Cost of Remaining Cleanup Activities	\$ 1,447,307.56

Cleanup Activities Canceled Without Cost to State

1.	Number of Authorized Cleanup Activities Canceled in Oct 2015	0
	Total Number of Authorized Cleanup Activities Canceled in FY 2016	0

*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, 2015 to October 31, 2015

DISTRICT	THIS MONTH		YEAR TO DATE	
	ACTIVITIES COMPLETED	TOTAL OF INVOICES	ACTIVITIES COMPLETED	TOTAL OF INVOICES
01	1	\$ 103,995.38	1	\$ 103,995.38
02	1	\$ 18,575.23	1	\$ 18,575.23
03	0	\$ 0.00	3	\$ 7,824.76
04	1	\$ 28,696.07	2	\$ 29,744.07
05	0	\$ 0.00	0	\$ 0.00
06	1	\$ 1,645.00	1	\$ 1,645.00
6E	1	\$ 2,043.00	1	\$ 2,043.00
7B	0	\$ 0.00	0	\$ 0.00
7C	0	\$ 0.00	0	\$ 0.00
08	1	\$ 42,393.47	1	\$ 42,393.47
8A	0	\$ 0.00	0	\$ 0.00
09	1	\$ 380.98	2	\$ 181,714.74
10	0	\$ 0.00	0	\$ 0.00
TOTALS	7	\$ 197,729.13	12	\$ 387,935.65
GRAND TOTALS*		\$ 197,729.13		\$ 387,935.65

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

ATTACHMENT C**SUMMARY OF COST OVERRUNS FOR COMPLETED CLEANUP ACTIVITIES**

October 1, 2015 to October 31, 2015

	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	1	1
02	0	0
03	0	0
04	1	1
05	0	0
06	1	1
6E	0	0
7B	0	0
7C	0	0
08	0	0
8A	0	0
09	0	1
10	0	0
TOTALS	3	4

ATTACHMENT D

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

October 1, 2015 to October 31, 2015

DIST. NO.	REQ. NUMBER	CLEANUP ID	ORIGINAL AWARD	APPROVED INVOICES	PERCENT
01	455-15-1226	01-216779	\$ 85,043.89	\$ 103,330.38	21.5%
Total number of cleanup activities where the final cost exceeded the original award amount by greater than 10 percent.					1

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

October 1, 2015 to October 31, 2015

DIST NO.	REQ. NUMBER	CLEANUP ID	BID TYPE	ORIGINAL CONTRACT	APPROVED INVOICES	PERCENT
04	455-13-0965	04-229537	Professional Services	\$ 24,590.00	\$ 28,696.07	16.7%
06	455-13-0001	06-230581	Work Order	\$ 1,177.00	\$ 1,645.00	39.76%
Total number of Cleanup activities (Work Orders, etc...) where the final cost exceeded the original contract amount by greater than 10 percent.						2

ATTACHMENT E

Cost Overruns Greater than 10%

01-216779: WRIGHT BROTHERS ENERGY (942745); HOLMAN, A. D., ETAL (03470): Edwards County

Original Award Amount - \$85,043.89. Contract Change Amount - \$108,533.70. Final Cost - \$103,330.38. Increase of 21.5%

THIS JOB WAS ORIGINALLY AWARDED TO ETECH ENVIRONMENTAL & SAFETY ON AUGUST 11, 2015 FOR \$85,043.89. HOWEVER, DURING THE CLEANUP ACTIVITIES MORE BS&W AND BOTTOMS THAN EXPECTED WERE ENCOUNTERED AND REQUIRED REMOVAL AND DISPOSAL INCREASING THE FINAL COST TO \$103,330.38 FOR THIS ACTIVITY.

04-229537: MITCHELL, M. J. (571030): NUECES COUNTY UPPER OSO WATER QUALITY IMPROVEMENT: Nueces County

Original Contract Amount - \$24,590.00. Final Cost - \$28,696.07. Increase of 16.7%

THIS JOB WAS ORIGINALLY LET TO KLEINFELDER CENTRAL, INC. ON JUNE 25, 2015 FOR \$24,590.00. ADDITIONAL FUNDING WAS NEEDED TO EXPEDITE TURNAROUND TIMES ON THE ANALYTICAL DATA AND TO CONDUCT ADDITIONAL TRENCHING ACTIVITIES TO COMPLETE THE DELINEATION TO THE HYDROCARBON IMPACTED SOIL INCREASING THE FINAL COST TO \$28,696.07 FOR THIS ACTIVITY.

06-230581: T. AND M. PROD (833773); PLATT, ET AL (10573): Harrison County

Original Contract Amount - \$1,177.00. Final Cost - \$1,645.00. Increase of 39.76%

THIS JOB WAS ORIGINALLY LET TO PAT'S ROUSTABOUT SERVICE, INC. ON SEPTEMBER 21, 2015 FOR \$1,177.00. HOWEVER, DURING THE CLEANUP ACTIVITIES IT WAS DISCOVERED THAT THE WASTE WAS BS&W INSTEAD OF PRODUCED WATER WHICH REQUIRED HIGHER DISPOSAL COST INCREASING THE FINAL COST TO \$1,645.00 FOR THIS ACTIVITY.

ATTACHMENT F**SUMMARY OF CLEANUP ACTIVITIES COMPLETED BY ACTIVITY TYPE**

October 1, 2015 to October 31, 2015

TYPE OF ACTIVITY	THIS MONTH		YEAR TO DATE	
	ACTIVITIES COMPLETED	TOTAL OF INVOICES	ACTIVITIES COMPLETED	TOTAL OF INVOICES
Cleanup	2	\$ 105,640.38	7	\$ 295,846.90
Emergency	1	\$ 380.98	1	\$ 380.98
Assessment	3	\$ 89,664.77	3	\$ 89,664.77
Partial	0	\$ 0.00	0	\$ 0.00
Miscellaneous	0	\$ 0.00	0	\$ 0.00
Abatement	1	\$ 2,043.00	1	\$ 2,043.00
TOTALS	7	\$ 197,729.13	12	\$ 387,935.65
GRAND TOTALS*		\$ 197,729.13		\$ 387,935.65

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

ATTACHMENT G**SUMMARY OF CLEANUP ACTIVITIES APPROVED/CODES ISSUED**

October 1, 2015 to October 31, 2015

DISTRICT	THIS MONTH		YEAR TO DATE	
	ACTIVITIES APPROVED	ORIGINAL COST ESTIMATE	ACTIVITIES APPROVED	ORIGINAL COST ESTIMATE
01	0	\$ 0.00	11	\$ 94,500.00
02	1	\$ 24,000.00	9	\$ 52,600.00
03	4	\$ 11,000.00	8	\$ 86,576.16
04	6	\$ 42,000.00	8	\$ 68,500.00
05	0	\$ 0.00	0	\$ 0.00
06	2	\$ 62,000.00	7	\$ 77,455.00
6E	4	\$ 66,000.00	6	\$ 92,222.00
7B	3	\$ 6,500.00	5	\$ 18,500.00
7C	0	\$ 0.00	0	\$ 0.00
08	0	\$ 0.00	0	\$ 0.00
8A	0	\$ 0.00	0	\$ 0.00
09	3	\$ 13,200.00	5	\$ 21,700.00
10	0	\$ 0.00	0	\$ 0.00
TOTALS	23	\$ 224,700.00	59	\$ 512,053.16

CLEANUP ACTIVITIES APPROVED BUT NOT COMPLETED AS OF October 31, 2015

Remaining Authorized Cleanup Activity Count: 67
Total Estimated Cost of Remaining Cleanup Activities: \$ 1,447,307.56

CLEANUP ACTIVITIES CANCELED WITH NO COST TO STATE

October 1, 2015 to October 31, 2015

<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>
					<u>Number Canceled</u>	<u>RRC Estimate</u>
					0	<N/A>

Total (all Districts)

0

<N/A>

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

October 1, 2015 to October 31, 2015

	Activity Count	RRC Estimate	Total of Invoices	Remaining
District 01 Totals	1	\$ 69,500.00	\$ 103,995.38	-\$ 34,495.38

Dist	Cleanup ID	Operator Name Lease Name	Site Rank	County	RRC Estimate	Total of Invoices	Remaining
01	216779	WRIGHT BROTHERS ENERGY, INC. HOLMAN, A. D., ETAL	CU-A	EDWARDS Activity Total	\$ 69,500.00	\$ 103,995.38	-\$ 34,495.38

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

October 1, 2015 to October 31, 2015

	Activity Count	RRC Estimate	Total of Invoices	Remaining
District 02 Totals	1	\$ 18,626.75	\$ 18,575.23	\$ 51.52

Dist	Cleanup ID	Operator Name Lease Name	Site Rank	County	RRC Estimate	Total of Invoices	Remaining
02	228436	UNIDENTIFIED VICTORIA INDUSTRIAL PARK SITE	AS-A	VICTORIA Activity Total	\$ 18,626.75	\$ 18,575.23	\$ 51.52

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

October 1, 2015 to October 31, 2015

	<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>
District 04 Totals	1	\$ 24,590.00	\$ 28,696.07	-\$ 4,106.07

<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>
04	229537	MITCHELL, M. J. NUECES COUNTY UPPER OSO WATER QUALITY IMPROVEMENT	AS-A	NUECES Activity Total	\$ 24,590.00	\$ 28,696.07	-\$ 4,106.07

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

October 1, 2015 to October 31, 2015

	Activity Count	RRC Estimate	Total of Invoices	Remaining
District 06 Totals	1	\$ 1,300.00	\$ 1,645.00	-\$ 345.00

Dist	Cleanup ID	Operator Name Lease Name	Site Rank	County	RRC Estimate	Total of Invoices	Remaining
06	230581	T. AND M. PRODUCTION PLATT, ET AL	CU-B	HARRISON Activity Total	\$ 1,300.00	\$ 1,645.00	-\$ 345.00

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

October 1, 2015 to October 31, 2015

	Activity Count	RRC Estimate	Total of Invoices	Remaining
District 6E Totals	1	\$ 2,222.00	\$ 2,043.00	\$ 179.00

Dist	Cleanup ID	Operator Name Lease Name	Site Rank	County	RRC Estimate	Total of Invoices	Remaining
6E	230543	AAA OIL TRUST DOBY, J. B.	AB-A	GREGG Activity Total	\$ 2,222.00	\$ 2,043.00	\$ 179.00

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

October 1, 2015 to October 31, 2015

	Activity Count	RRC Estimate	Total of Invoices	Remaining
District 08 Totals	1	\$ 42,418.80	\$ 42,393.47	\$ 25.33

Dist	Cleanup ID	Operator Name Lease Name	Site Rank	County	RRC Estimate	Total of Invoices	Remaining
08	229962	DDS OIL COMPANY THOMPSON, G. L. -A-	AS-A	CROCKETT Activity Total	\$ 42,418.80	\$ 42,393.47	\$ 25.33

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

October 1, 2015 to October 31, 2015

	<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>
District 09 Totals	1	\$ 2,500.00	\$ 380.98	\$ 2,119.02

<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	230717	UNIDENTIFIED PITTMAN LSE	EC-A	YOUNG Activity Total	\$ 2,500.00	\$ 380.98	\$ 2,119.02

	<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>
Grand Totals (all Districts)	7	\$ 161,157.55	\$ 197,729.13	-\$ 36,571.58

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2015 to October 31, 2015

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 02 Totals					1	\$ 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>
02	230839	UNIDENTIFIED 6" PIPELINE - BEE CO	BEE <NA>	CU-A	1	\$ 24,000.00

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2015 to October 31, 2015

	Number Approved	RRC Estimate
District 03 Totals	4	\$ 11,000.00

Dist	Cleanup ID	Operator Name Lease Name	County Lse/Gas ID	Site Rank	Number Approved	RRC Estimate
03	230636	GREGG ROYALTY COMPANY, INC. CLUBB, A.J. #1	LIBERTY 11899	CU-B	1	\$ 2,000.00
03	230638	TRILATERAL EAGLE PETR.CO.(TEPCO) CARR COMMUNITY	LIBERTY 02255	CU-B	1	\$ 1,500.00
03	230718	UNIDENTIFIED DAISETTA SINKHOLE	LIBERTY -6560	CU-B	1	\$ 4,500.00
03	230818	SK & CO. OIL AND GAS OPER., LLC BROWDER HEIRS	SAN JACINTO 267329	EC-A	1	\$ 3,000.00

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2015 to October 31, 2015

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 04 Totals					6	\$ 42,000.00
Dist	Cleanup ID	Operator Name Lease Name	County Lse/Gas ID	Site Rank	<u>Number Approved</u>	<u>RRC Estimate</u>
04	225719	CHESNUT OIL AND GAS, INC. SMITH, O.L.	SAN PATRICIO 11513	CU-A	1	\$ 6,000.00
04	225638	CHESNUT OIL AND GAS, INC. MORRIS, LILLIAN S., ET AL	SAN PATRICIO 08576	CU-A	1	\$ 4,500.00
04	225637	CHESNUT OIL AND GAS, INC. MORRIS, LILLIAN S., ET AL	SAN PATRICIO 09515	CU-A	1	\$ 4,500.00
04	217296	CHESNUT OIL AND GAS, INC. SMITH, O. L.	SAN PATRICIO 09174	CU-A	1	\$ 6,000.00
04	231058	CHESNUT OIL AND GAS, INC. SMITH, ORA L.	SAN PATRICIO 134914	CU-A	1	\$ 5,000.00
04	231057	CHESNUT OIL AND GAS, INC. SMITH, ORA L.	SAN PATRICIO 112864	CU-A	1	\$ 16,000.00

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2015 to October 31, 2015

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 06 Totals					2	\$ 62,000.00
<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>
06	230856	TEXLA OPERATING COMPANY NELSON HILL UNIT	MARION 12019	EC-A	1	\$ 48,000.00
06	230682	LIPPIT, F. G. EATON, G. W.	RUSK <NA>	CU-A	1	\$ 14,000.00

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2015 to October 31, 2015

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 6E Totals					4	\$ 66,000.00
<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>
6E	231117	INLAND PRODUCTS, INC. KILGORE RECLAMATION PLANT	RUSK 06-1971	CU-A	1	\$ 2,000.00
6E	208338	GOFF, WILLIE WILLIE'S WASHOUT PIT - (P00007178A)	GREGG 07178A	CU-A	1	\$ 21,000.00
6E	230436	TRIPLE M SALTWATER DISPOSAL, LP PETRO-WAX, LLC	GREGG 08628	CU-A	1	\$ 25,000.00
6E	230642	TXX OPERATING LLC FIRST STATE BANK OF OVERTON	RUSK 08288	CU-A	1	\$ 18,000.00

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2015 to October 31, 2015

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 7B Totals					3	\$ 6,500.00
<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>
7B	230941	FRIENDLY ENERGY SERVICES, INC. SAGE-KELLER "A"	BROWN 130606	AS-A	<u>1</u>	<u>\$ 2,000.00</u>
7B	230900	FRIENDLY ENERGY SERVICES, INC. EXPLO-THOMAS	BROWN 24966	AS-B	<u>1</u>	<u>\$ 2,500.00</u>
7B	230645	FRIENDLY ENERGY SERVICES, INC. A. HUNT	BROWN 29786	AS-B	<u>1</u>	<u>\$ 2,000.00</u>

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

October 1, 2015 to October 31, 2015

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 09 Totals					3	\$ 13,200.00
<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	230883	EMBASSY OIL COMPANY FURR-ROBINSON	ARCHER 19472	AS-B	1	\$ 600.00
09	228424	MARTEX OIL & GAS, INC. HOLT, D. M.	WISE 11940	CU-A	1	\$ 12,000.00
09	230880	EMBASSY OIL COMPANY FURR-ROBINSON -A-	ARCHER 19820	AS-B	1	\$ 600.00
Grand Total (all Districts)					23	\$ 224,700.00