

MP
ASC

RAILROAD COMMISSION OF TEXAS

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

INTERNAL
Lori Wrotenbery
Director, Oil and Gas Division

MEMORANDUM July 11, 2016

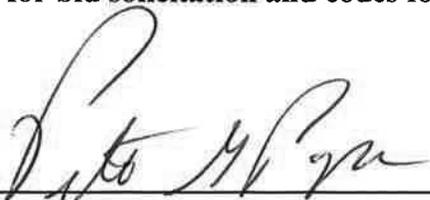
TO: Chairman David Porter
Commissioner Christi Craddick
Commissioner Ryan Sitton

FROM: Peter G. Pope, Assistant Director
Site Remediation

SUBJECT: Site Remediation's Summary Report
June 2016

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 June 2016, a total of 18 sites were completed at a total cost of \$100,066.71. (Attachment B)
3. Of the activities completed in June 2016, one exceeded the original award or work order amount by greater than 10%. (Attachments C, D, & E)
- 4. Of the activities completed in June 2016, nine were routine cleanup activities, four were emergency activities, two were assessment activities, two were abatement activities, and one was a miscellaneous activity. (Attachment F)**
- 5. In June 2016, one activity was authorized for bid solicitation and codes for a total estimated cost of \$3,500.00. (Attachment G)**



Peter G. Pope

PGP/mp
Attachments

ATTACHMENT A

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

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

1.	Number of Cleanup Activities Completed in Jun 2016	18
	Total Cost of Cleanup Activities Completed in Jun 2016	\$ 100,066.71
	Number of Activities with Post-Close* Invoices Approved in Jun 2016	1
	Total Amount of Post-Close Invoices Approved in Jun 2016	\$ 196.00
	Total Number of Cleanup Activities where the Final Cost exceeded the Award or Work Order Amount by > 10% in Jun 2016	1
2.	Number of Cleanup Activities Completed in FY 2016	137
	Total Cost of Cleanup Activities Completed in FY 2016	\$ 2,240,830.27
	Number of Activities with Post-Close Invoices Approved in FY 2016	1
	Total Amount of Post-Close Invoices Approved in FY 2016	\$ 196.00
	Total Number of Cleanup Activities where the Final Cost exceeded the Award or Work Order Amount by > 10% in FY 2016	20
3.	Grand Total (Completed Activities plus Post-Close Invoices) for Jun 2016	\$ 100,262.71
	Grand Total (Completed Activities plus Post-Close Invoices) for FY 2016	\$ 2,241,026.27

New Cleanup Activities (See Attachment G)

1.	Number of Cleanup Activities Authorized for Bid Solicitation and Codes Issued in Jun 2016	1
	Estimated Cost of Cleanup Activities Authorized in Jun 2016	\$ 3,500.00
2.	Number of Cleanup Activities Authorized for Bid Solicitation and Codes Issued in FY 2016	192
	Estimated Cost of Cleanup Activities Authorized in FY 2016	\$ 1,677,576.19

Cleanup Activities Approved But Not Completed

1.	Total Number of Remaining Cleanup Activities as of the last day of Jun 2016	71
	Total Estimated Cost of Remaining Cleanup Activities	\$ 1,041,939.49

Cleanup Activities Canceled Without Cost to State

1.	Number of Authorized Cleanup Activities Canceled in Jun 2016	0
	Total Number of Authorized Cleanup Activities Canceled in FY 2016	4

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

ATTACHMENT B**SUMMARY OF CLEANUP ACTIVITIES COMPLETED**

June 1, 2016 to June 30, 2016

DISTRICT	THIS MONTH		YEAR TO DATE	
	ACTIVITIES COMPLETED	TOTAL OF INVOICES	ACTIVITIES COMPLETED	TOTAL OF INVOICES
01	3	\$ 5,508.52	19	\$ 171,037.77
02	4	\$ 7,313.76	8	\$ 35,595.86
03	1	\$ 891.76	19	\$ 137,374.78
04	3	\$ 26,337.60	14	\$ 86,282.17
05	1	\$ 9,259.40	3	\$ 19,480.08
06	0	\$ 0.00	7	\$ 126,251.14
6E	0	\$ 0.00	14	\$ 293,125.66
7B	0	\$ 0.00	12	\$ 800,648.16
7C	1	\$ 42,942.41	8	\$ 210,815.82
08	2	\$ 7,118.26	10	\$ 92,248.72
8A	0	\$ 0.00	2	\$ 7,167.40
09	3	\$ 695.00	18	\$ 250,782.46
10	0	\$ 0.00	3	\$ 10,020.25
TOTALS	18	\$ 100,066.71	137	\$ 2,240,830.27
GRAND TOTALS*		\$ 100,262.71		\$ 2,241,026.27

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

ATTACHMENT C

SUMMARY OF COST OVERRUNS FOR COMPLETED CLEANUP ACTIVITIES

June 1, 2016 to June 30, 2016

	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	1
02	0	0
03	0	5
04	1	2
05	0	0
06	0	2
6E	0	5
7B	0	1
7C	0	2
08	0	0
8A	0	1
09	0	1
10	0	0
TOTALS	1	20

ATTACHMENT D

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

June 1, 2016 to June 30, 2016

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)**

June 1, 2016 to June 30, 2016

DIST NO.	REQ. NUMBER	CLEANUP ID	BID TYPE	ORIGINAL CONTRACT	APPROVED INVOICES	PERCENT
04	455-13-0742	04-231997	Work Order	\$ 13,469.10	\$ 15,627.60	16.03%
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%

04-231997; R.C.I. ENERGY (685838); BALLARD, C. F. (111403); Nueces County

Original Contract Amount - \$13,469.10, Final Cost - \$15,627.60, Increase of 16.03%

THIS JOB WAS ORIGINALLY LET TO ENSOURCE CORPORATION ON MARCH 10, 2016, FOR \$13,469.10. HOWEVER, DURING THE CLEANUP STAFF DISCOVERED THE BS&W TO BE THICKER THAN EXPECTED, REQUIRING ADDITIONAL CHARGES FOR EQUIPMENT AND PERSONNEL, INCREASING THE FINAL COST TO \$15,627.60 FOR THIS ACTIVITY.

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

June 1, 2016 to June 30, 2016

TYPE OF ACTIVITY	THIS MONTH		YEAR TO DATE	
	ACTIVITIES COMPLETED	TOTAL OF INVOICES	ACTIVITIES COMPLETED	TOTAL OF INVOICES
Cleanup	9	\$ 36,215.56	76	\$ 1,653,531.21
Emergency	4	\$ 14,243.48	25	\$ 165,404.55
Assessment	2	\$ 43,067.41	30	\$ 409,920.10
Partial	0	\$ 0.00	0	\$ 0.00
Miscellaneous	1	\$ 5,970.26	1	\$ 5,970.26
Abatement	2	\$ 570.00	5	\$ 6,004.15
TOTALS	18	\$ 100,066.71	137	\$ 2,240,830.27
GRAND TOTALS*		\$ 100,262.71		\$ 2,241,026.27

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

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

June 1, 2016 to June 30, 2016

DISTRICT	THIS MONTH		YEAR TO DATE	
	ACTIVITIES APPROVED	ORIGINAL COST ESTIMATE	ACTIVITIES APPROVED	ORIGINAL COST ESTIMATE
01	0	\$ 0.00	23	\$ 162,500.00
02	0	\$ 0.00	11	\$ 60,510.00
03	0	\$ 0.00	25	\$ 188,109.16
04	0	\$ 0.00	16	\$ 159,289.29
05	0	\$ 0.00	3	\$ 23,500.00
06	1	\$ 3,500.00	12	\$ 110,355.00
6E	0	\$ 0.00	16	\$ 179,322.00
7B	0	\$ 0.00	30	\$ 89,268.00
7C	0	\$ 0.00	14	\$ 423,117.95
08	0	\$ 0.00	13	\$ 105,100.00
8A	0	\$ 0.00	2	\$ 7,500.00
09	0	\$ 0.00	23	\$ 146,504.79
10	0	\$ 0.00	4	\$ 22,500.00
TOTALS	1	\$ 3,500.00	192	\$ 1,677,576.19

CLEANUP ACTIVITIES APPROVED BUT NOT COMPLETED AS OF June 30, 2016

Remaining Authorized Cleanup Activity Count: 71
Total Estimated Cost of Remaining Cleanup Activities: \$ 1,041,939.49

ATTACHMENT H

ACTIVITIES WITH POST-CLOSE INVOICES APPROVED

June 1, 2016 to June 30, 2016

<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>
08	232700	B & B ENERGY SCARBOROUGH -U-	WINKLER 30198	CU-A	06/23/2016	\$ 196.00
					<u>Activities Adjusted</u>	<u>Total of Invoices</u>
Total (all Districts)					1	\$ 196.00

CLEANUP ACTIVITIES CANCELED WITH NO COST TO STATE

June 1, 2016 to June 30, 2016

<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>
Total (all Districts)					0	<N/A>

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

June 1, 2016 to June 30, 2016

	Activity Count	RRC Estimate	Total of Invoices	Remaining
District 01 Totals	3	\$ 9,500.00	\$ 5,508.52	\$ 3,991.48

Dist	Cleanup ID	Operator Name Lease Name	Site Rank	County	RRC Estimate	Total of Invoices	Remaining
01	232478	J & M WELL SALVAGE COMPANY MILLER-MILLER UNIT	CU-A	GONZALES Activity Total	\$ 2,000.00	\$ 2,000.00	\$ 0.00
01	232479	LEMON, RICHARD G. LOKEY, K.R.	CU-A	GONZALES Activity Total	\$ 2,500.00	\$ 1,000.00	\$ 1,500.00
01	233237	GREAT PLAINS RESOURCES, INC. EASTWOOD -A-	EC-A	ATASCOSA Activity Total	\$ 5,000.00	\$ 2,508.52	\$ 2,491.48

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

June 1, 2016 to June 30, 2016

	Activity Count	RRC Estimate	Total of Invoices	Remaining
District 02 Totals	4	\$ 14,100.00	\$ 7,313.76	\$ 6,786.24

Dist	Cleanup ID	Operator Name Lease Name	Site Rank	County	RRC Estimate	Total of Invoices	Remaining	
02	226779	EXPRESS OIL CO. HLAVINKA UNIT	CU-A	JACKSON	Activity Total	\$ 6,500.00	\$ 3,066.26	\$ 3,433.74
02	227039	EXPRESS OIL CO. SMITH, ALICE B.	CU-A	JACKSON	Activity Total	\$ 2,800.00	\$ 1,296.85	\$ 1,503.15
02	227042	EXPRESS OIL CO. SMITH, ALICE B.	CU-A	JACKSON	Activity Total	\$ 2,800.00	\$ 1,366.85	\$ 1,433.15
02	233458	OSYKA PERMIAN, LLC MCELVEEN, H. O.	EC-A	JACKSON	Activity Total	\$ 2,000.00	\$ 1,583.80	\$ 416.20

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

June 1, 2016 to June 30, 2016

					<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>
District 03 Totals					1	\$ 2,000.00	\$ 891.76	\$ 1,108.24
<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	233316	INDEPENDENT REFINING CORP LINE #2194	EC-A	JEFFERSON Activity Total	\$ 2,000.00	\$ 891.76	\$ 1,108.24	

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

June 1, 2016 to June 30, 2016

	Activity Count	RRC Estimate	Total of Invoices	Remaining
District 04 Totals	3	\$ 28,500.00	\$ 26,337.60	\$ 2,162.40

Dist	Cleanup ID	Operator Name Lease Name	Site Rank	County	RRC Estimate	Total of Invoices	Remaining
04	231997	R.C.I. ENERGY BALLARD, C. F.	CU-A	NUECES Activity Total	\$ 14,000.00	\$ 15,627.60	-\$ 1,627.60
04	232537	STONEGATE OPERATORS, INC. WEST	CU-A	DUVAL Activity Total	\$ 7,250.00	\$ 5,355.00	\$ 1,895.00
04	232540	STONEGATE OPERATORS, INC. WEST	CU-A	DUVAL Activity Total	\$ 7,250.00	\$ 5,355.00	\$ 1,895.00

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

June 1, 2016 to June 30, 2016

	<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>
District 05 Totals	1	\$ 10,000.00	\$ 9,259.40	\$ 740.60

<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>
05	233198	INTERGRATED O & G SOLUTIONS CORP BLANKENSHIP	EC-A	NAVARRO Activity Total	\$ 10,000.00	\$ 9,259.40	\$ 740.60

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

June 1, 2016 to June 30, 2016

	<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>
District 7C Totals	1	\$ 61,500.00	\$ 42,942.41	\$ 18,557.59

<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>
7C	229799	UNIDENTIFIED BALLINGER SEEP	AS-A	RUNNELS Activity Total	\$ 61,500.00	\$ 42,942.41	\$ 18,557.59

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

June 1, 2016 to June 30, 2016

	Activity Count	RRC Estimate	Total of Invoices	Remaining
District 08 Totals	2	\$ 10,500.00	\$ 7,118.26	\$ 3,381.74

Dist	Cleanup ID	Operator Name Lease Name	Site Rank	County	RRC Estimate	Total of Invoices	Remaining
08	231096	UNKNOWN W. CR. 42 HOWARD COUNTY	CU-A	HOWARD Activity Total	\$ 4,000.00	\$ 1,148.00	\$ 2,852.00
08	233538	DDS OIL COMPANY THOMPSON, G. L. -A-	MC-A	CROCKETT Activity Total	\$ 6,500.00	\$ 5,970.26	\$ 529.74

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

June 1, 2016 to June 30, 2016

	Activity Count	RRC Estimate	Total of Invoices	Remaining
District 09 Totals	3	\$ 1,750.00	\$ 695.00	\$ 1,055.00

Dist	Cleanup ID	Operator Name Lease Name	Site Rank	County	RRC Estimate	Total of Invoices	Remaining
09	232497	DSB ENERGY, LLC CAMPBELL, W. H.	AS-A	COOKE Activity Total	\$ 150.00	\$ 125.00	\$ 25.00
09	232557	SERVICE CLEARING CORP. WOLF	AB-B	COOKE Activity Total	\$ 1,000.00	\$ 213.75	\$ 786.25
09	232576	SERVICE CLEARING CORP. REED, W. A.	AB-B	MONTAGUE Activity Total	\$ 600.00	\$ 356.25	\$ 243.75

	Activity Count	RRC Estimate	Total of Invoices	Remaining
Grand Totals (all Districts)	18	\$ 137,850.00	\$ 100,066.71	\$ 37,783.29

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

June 1, 2016 to June 30, 2016

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 06 Totals					1	\$ 3,500.00
<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>
06	233956	TEXLA OPERATING COMPANY HOOPER, E. S. OIL UNIT "A"	MARION 13398	EC-A	<u>1</u>	<u>\$ 3,500.00</u>
					<u>Number Approved</u>	<u>RRC Estimate</u>
Grand Total (all Districts)					1	\$ 3,500.00