

RAILROAD COMMISSION OF TEXAS

MICHAEL L. WILLIAMS, *CHAIRMAN*
ELIZABETH A. JONES, *COMMISSIONER*
DAVID PORTER, *COMMISSIONER*

INTERNAL
Ramon Fernandez Jr., P.E.
Deputy Director, Oil and Gas Division

MEMORANDUM

January 12, 2011

TO: Chairman Michael L. Williams
Commissioner Elizabeth A. Jones
Commissioner David Porter

FROM: William B. Miertschin, Assistant Director
Site Remediation

SUBJECT: **Site Remediation's Summary Report
December 2010**

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 December 2010, a total of 16 activities were completed at a total cost of \$193,862.99. (Attachment B)**
- 3. Of the activities completed in December 2010, three activities exceeded the award or work order amount by greater than 10%. (Attachments C, D, & E)**
4. Of the activities completed in December 2010, 12 were routine cleanup activities, 1 was an emergency cleanup activity, and 3 were assessment activities. (Attachment F)
5. In December 2010, a total of 17 activities were authorized for bid solicitation and codes for a total estimated cost of \$160,956.50. (Attachment G)



William B. Miertschin

WBM/dc
Attachments

ATTACHMENT A

**Monthly State-Managed Pollution Site Cleanup Activities
for December 2010 and FY 2011 to date**

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

1.	Number of Cleanup Activities Completed in Dec 2010	16
	Total Cost of Cleanup Activities Completed in Dec 2010	\$ 193,862.99
	Number of Activities with Post-Close* Invoices Approved in Dec 2010	0
	Total Amount of Post-Close Invoices Approved in Dec 2010	\$ 0.00
	Total Number of Cleanup Activities where the Final Cost exceeded the Award or Work Order Amount by > 10% in Dec 2010	3
2.	Number of Cleanup Activities Completed in FY 2011	41
	Total Cost of Cleanup Activities Completed in FY 2011	\$ 331,980.90
	Number of Activities with Post-Close Invoices Approved in FY 2011	0
	Total Amount of Post-Close Invoices Approved in FY 2011	\$ 0.00
	Total Number of Cleanup Activities where the Final Cost exceeded the Award or Work Order Amount by > 10% in FY 2011	6
3.	Grand Total (Completed Activities plus Post-Close Invoices) for Dec 2010	\$ 193,862.99
	Grand Total (Completed Activities plus Post-Close Invoices) for FY 2011	\$ 331,980.90

New Cleanup Activities (See Attachment G)

1.	Number of Cleanup Activities Authorized for Bid Solicitation and Codes Issued in Dec 2010	17
	Estimated Cost of Cleanup Activities Authorized in Dec 2010	\$ 160,956.50
2.	Number of Cleanup Activities Authorized for Bid Solicitation and Codes Issued in FY 2011	63
	Estimated Cost of Cleanup Activities Authorized in FY 2011	\$ 483,344.95

Cleanup Activities Approved But Not Completed

1.	Total Number of Remaining Cleanup Activities as of the last day of Dec 2010	91
	Total Estimated Cost of Remaining Cleanup Activities	\$ 1,561,471.70

Cleanup Activities Canceled Without Cost to State

1.	Number of Authorized Cleanup Activities Canceled in Dec 2010	0
	Total Number of Authorized Cleanup Activities Canceled in FY 2011	1

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

ATTACHMENT B**SUMMARY OF CLEANUP ACTIVITIES COMPLETED**

December 1, 2010 to December 31, 2010

DISTRICT	THIS MONTH		YEAR TO DATE	
	ACTIVITIES COMPLETED	TOTAL OF INVOICES	ACTIVITIES COMPLETED	TOTAL OF INVOICES
01	1	\$ 3,260.00	4	\$ 21,810.50
02	0	\$ 0.00	0	\$ 0.00
03	7	\$ 17,355.43	8	\$ 17,465.43
04	0	\$ 0.00	3	\$ 12,214.50
05	1	\$ 936.50	2	\$ 2,524.50
06	1	\$ 8,212.25	4	\$ 16,063.00
6E	1	\$ 1,414.00	2	\$ 2,353.00
7B	2	\$ 5,351.31	10	\$ 21,087.55
7C	0	\$ 0.00	2	\$ 6,202.00
08	0	\$ 0.00	1	\$ 4,726.50
8A	0	\$ 0.00	0	\$ 0.00
09	2	\$ 2,060.50	3	\$ 4,305.00
10	1	\$ 155,273.00	2	\$ 223,228.92
TOTALS	16	\$ 193,862.99	41	\$ 331,980.90
GRAND TOTALS*		\$ 193,862.99		\$ 331,980.90

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

ATTACHMENT C

SUMMARY OF COST OVERRUNS FOR COMPLETED CLEANUP ACTIVITIES

December 1, 2010 to December 31, 2010

DISTRICT	THIS MONTH	YEAR TO DATE
	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	0	0
04	0	0
05	0	0
06	1	2
6E	0	0
7B	0	1
7C	0	0
08	0	1
8A	0	0
09	1	1
10	1	1
TOTALS	3	6

ATTACHMENT D

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

December 1, 2010 to December 31, 2010

DIST. NO.	REQ. NUMBER	CLEANUP ID	ORIGINAL AWARD	APPROVED INVOICES	PERCENT
09	455-11-0292	09-203972	\$ 325.00	\$ 577.00	77.54%
10	455-10-1081	10-201588	\$ 71,000.00	\$ 152,440.00	114.7%
Total number of cleanup activities where the final cost exceeded the original award amount by greater than 10 percent.					2

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

December 1, 2010 to December 31, 2010

DIST NO.	REQ. NUMBER	CLEANUP ID	BID TYPE	ORIGINAL CONTRACT	APPROVED INVOICES	PERCENT
06	455-10-0929	06-200687	Work Order	\$ 5,342.40	\$ 8,212.25	53.72%
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%

09-203972: UNIDENTIFIED : JACK GRACE HILL: Montague County

Original Award Amount - \$325.00, Contract Change Amount - \$577.00, Final Cost - \$577.00, Increase of 77.54%

THIS JOB WAS AWARDED TO J & L LAND SERVICES ON OCTOBER 27, 2010 FOR \$325.00. HOWEVER, ADDITIONAL EXPENSES WERE ENCOUNTERED WHILE RUNNING THE TITLE SEARCH REQUIRING AN ADDITIONAL HALF-DAY, 134 ADDITIONAL MILES, ABSTRACT OFFICE HOURLY FEE, AND THE CHARGE FOR THE COPIES FROM THE COUNTY CLERK INCREASING THE FINAL COST TO \$577.00 FOR THIS ACTIVITY.

10-201588: ENERGY 2000 (251740): VENTURE (01559): Hutchinson County

Original Award Amount - \$71,000.00, Contract Change Amount - \$164,500.00, Final Cost - \$152,440.00, Increase of 114.7%

THIS ACTIVITY WAS AWARDED TO B&B SOLVENT, LTD. ON SEPTEMBER 2, 2010 FOR \$71,000.00. STAFF ORIGINALLY ESTIMATED THAT ONLY HALF OF THE PIT CONTENTS WOULD BE DISPOSED OF AND THE OTHER HALF WOULD BE MIXED/TILLED ON SITE. HOWEVER, DUE TO INTERMITTENT HYDROCARBON STINGERS AND HIGH CHLORIDE LEVELS, ALL OF THE CONTENTS REQUIRED DISPOSAL INCREASING THE FINAL COST TO \$152,440.00 FOR THIS ACTIVITY.

06-200687: KILLINGSWORTH OIL CO. : KILDARE/PETTIT/WATER FLOOD UNIT (03371): Cass County

Original Contract Amount - \$5,342.40, Final Cost - \$8,212.25, Increase of 53.72%

THIS ACTIVITY WAS LET TO HW SERVICES, LLC. UNDER THE KILGORE WORK ORDER CONTRACT ON NOVEMBER 3, 2010 FOR \$5,342.40. DUE TO TEMPERATURES BETWEEN 45 AND 50 DEGREES, THE BS&W HAD A THICK CONSISTENCY REQUIRING HOT "FLOWBACK" PRODUCED WATER TO REMOVE, THEREBY INCREASING THE AMOUNT OF RINSATE AND BS&W TO DISPOSE OF AS WELL AS PERSONNEL AND EQUIPMENT TIME TO REMOVE THE WASTE INCREASING THE FINAL COST TO \$8,212.25 FOR THIS ACTIVITY.

ATTACHMENT F

SUMMARY OF CLEANUP ACTIVITIES COMPLETED BY ACTIVITY TYPE

December 1, 2010 to December 31, 2010

TYPE OF ACTIVITY	THIS MONTH		YEAR TO DATE	
	ACTIVITIES COMPLETED	TOTAL OF INVOICES	ACTIVITIES COMPLETED	TOTAL OF INVOICES
Cleanup	12	\$ 189,451.99	31	\$ 320,379.90
Emergency	1	\$ 1,483.50	3	\$ 5,712.00
Assessment	3	\$ 2,927.50	6	\$ 4,689.00
Partial	0	\$ 0.00	0	\$ 0.00
Miscellaneous	0	\$ 0.00	0	\$ 0.00
Abatement	0	\$ 0.00	1	\$ 1,200.00
TOTALS	16	\$ 193,862.99	41	\$ 331,980.90
GRAND TOTALS*		\$ 193,862.99		\$ 331,980.90

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

ATTACHMENT G

SUMMARY OF CLEANUP ACTIVITIES APPROVED/CODES ISSUED

December 1, 2010 to December 31, 2010

DISTRICT	THIS MONTH		YEAR TO DATE	
	ACTIVITIES APPROVED	ORIGINAL COST ESTIMATE	ACTIVITIES APPROVED	ORIGINAL COST ESTIMATE
01	3	\$ 19,000.00	12	\$ 101,500.00
02	0	\$ 0.00	2	\$ 9,500.00
03	3	\$ 76,856.50	13	\$ 148,506.50
04	0	\$ 0.00	2	\$ 3,130.00
05	1	\$ 2,500.00	3	\$ 41,254.10
06	2	\$ 16,000.00	4	\$ 18,200.00
6E	2	\$ 24,000.00	5	\$ 43,000.00
7B	6	\$ 22,600.00	14	\$ 52,100.00
7C	0	\$ 0.00	0	\$ 0.00
08	0	\$ 0.00	2	\$ 11,500.00
8A	0	\$ 0.00	0	\$ 0.00
09	0	\$ 0.00	6	\$ 54,654.35
10	0	\$ 0.00	0	\$ 0.00
TOTALS	17	\$ 160,956.50	63	\$ 483,344.95

CLEANUP ACTIVITIES APPROVED BUT NOT COMPLETED AS OF December 31, 2010

Remaining Authorized Cleanup Activity Count: 91
Total Estimated Cost of Remaining Cleanup Activities: \$ 1,561,471.70

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

December 1, 2010 to December 31, 2010

District	Totals	Activity Count	RRC Estimate	Total of Invoices	Remaining		
District 01	Totals	1	\$ 6,500.00	\$ 3,260.00	\$ 3,240.00		

Dist	Cleanup ID	Operator Name Lease Name	Site Rank	County				
					RRC Estimate	Total of Invoices	Remaining	
01	201809	THRALL OPERATING COMPANY, INC. CALDWELL, T.J.	CU-A	BASTROP				
				Activity Total	\$ 6,500.00	\$ 3,260.00	\$ 3,240.00	

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

December 1, 2010 to December 31, 2010

					<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>
District 03 Totals					7	\$ 52,200.00	\$ 17,355.43	\$ 34,844.57
<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	201812	MIDCHANNEL OIL & GAS, INC. RIVIERE EST.	CU-A	LIBERTY Activity Total	\$ 9,100.00	\$ 5,261.23	\$ 3,838.77	
03	200814	B. C. VENTURES, INC. GUINN, S.L. "B"	CU-A	JEFFERSON Activity Total	\$ 6,100.00	\$ 1,487.00	\$ 4,613.00	
03	200813	THOMPSON, E. P. HIGGINS	CU-A	HARRIS Activity Total	\$ 7,000.00	\$ 2,055.50	\$ 4,944.50	
03	200812	PATHFINDER CAPITAL L.C. BEDINGER, C.A.	CU-A	MADISON Activity Total	\$ 6,500.00	\$ 2,155.00	\$ 4,345.00	
03	200810	GREGG ROYALTY COMPANY, INC. CLUBB, A.J. #1	CU-A	LIBERTY Activity Total	\$ 6,000.00	\$ 1,558.50	\$ 4,441.50	
03	200807	TRILATERAL EAGLE PETR.CO.(TEPCO) CARR COMMUNITY	CU-A	LIBERTY Activity Total	\$ 6,000.00	\$ 1,143.00	\$ 4,857.00	
03	202991	MJ OIL, INC. STATE OF TEXAS	CU-B	HARRIS Activity Total	\$ 11,500.00	\$ 3,695.20	\$ 7,804.80	

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

December 1, 2010 to December 31, 2010

District 05 Totals				1	\$ 2,500.00	\$ 936.50	\$ 1,563.50
Dist	Cleanup ID	Operator Name Lease Name	Site Rank	County	RRC Estimate	Total of Invoices	Remaining
05	204090	DELTA DRILLING CO. COKER	AS-A	HOPKINS Activity Total	\$ 2,500.00	\$ 936.50	\$ 1,563.50

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

December 1, 2010 to December 31, 2010

				<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>
District 06 Totals				1	\$ 9,000.00	\$ 8,212.25	\$ 787.75
<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	200687	KILLINGSWORTH OIL CO. KILDARE/PETTIT/WATER FLOOD UNIT	CU-A	CASS			
Activity Total					<u>\$ 9,000.00</u>	<u>\$ 8,212.25</u>	<u>\$ 787.75</u>

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

December 1, 2010 to December 31, 2010

					<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>
District 6E Totals					1	\$ 2,000.00	\$ 1,414.00	\$ 586.00
<u>Dist</u>	<u>Cleanup ID</u>	<u>Operator Name Lease Name</u>	<u>Site Rank</u>	<u>County</u>				
6E	201104	GOFF, WILLIE WILLIE'S WASHOUT PIT - (P00007178A)	AS-A	GREGG				
					Activity Total	<u>\$ 2,000.00</u>	<u>\$ 1,414.00</u>	<u>\$ 586.00</u>

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

December 1, 2010 to December 31, 2010

			<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>	
District 7B Totals			2	\$ 9,000.00	\$ 5,351.31	\$ 3,648.69	
<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	200503	NICK OIL BAPTIST FOUNDATION OF TEXAS	CU-B	JONES Activity Total	\$ 5,500.00	\$ 3,763.31	\$ 1,736.69
7B	201833	CHANCELLOR, EARL SALES CO., INC. HAWKINS	CU-B	FISHER Activity Total	\$ 3,500.00	\$ 1,588.00	\$ 1,912.00

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

December 1, 2010 to December 31, 2010

			<u>Activity Count</u>	<u>RRC Estimate</u>	<u>Total of Invoices</u>	<u>Remaining</u>	
District 09 Totals			2	\$ 3,600.00	\$ 2,060.50	\$ 1,539.50	
<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	203794	JOHNSON, WILLIAM D. ABERNATHY, W.C. JR. ET AL	EC-A	ARCHER Activity Total	\$ 3,000.00	\$ 1,483.50	\$ 1,516.50
09	203972	UNIDENTIFIED JACK GRACE HILL	AS-A	MONTAGUE Activity Total	\$ 600.00	\$ 577.00	\$ 23.00

SUMMARY OF COMPLETED CLEANUP ACTIVITIES

December 1, 2010 to December 31, 2010

	Activity Count	RRC Estimate	Total of Invoices	Remaining
District 10 Totals	1	\$ 100,000.00	\$ 155,273.00	-\$ 55,273.00

Dist	Cleanup ID	Operator Name Lease Name	Site Rank	County	RRC Estimate	Total of Invoices	Remaining
10	201588	ENERGY 2000, INC. VENTURE	CU-A	HUTCHINSON Activity Total	\$ 100,000.00	\$ 155,273.00	-\$ 55,273.00

	Activity Count	RRC Estimate	Total of Invoices	Remaining
Grand Totals (all Districts)	16	\$ 184,800.00	\$ 193,862.99	-\$ 9,062.99

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

December 1, 2010 to December 31, 2010

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 01 Totals					3	\$ 19,000.00
<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>
01	200225	DOUBLECHEK OPERATING NOAH, T.R. -A-	DIMMIT 06821	CU-A	<u>1</u>	<u>\$ 9,000.00</u>
01	202192	DOUBLECHEK OPERATING NOAH, T. R.	DIMMIT 04237	CU-A	<u>1</u>	<u>\$ 6,500.00</u>
01	202194	NAVAJO EXPLORATION, INC. JONES	LA SALLE 13839	CU-A	<u>1</u>	<u>\$ 3,500.00</u>

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

December 1, 2010 to December 31, 2010

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 03 Totals					3	\$ 76,856.50
<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	204616	UNIDENTIFIED TURTLE BAYOU SITE	CHAMBERS <NA>	AS-A	<u>1</u>	<u>\$ 19,463.40</u>
03	204657	UNIDENTIFIED NEUENDORFF COMPLAINT	COLORADO <NA>	AS-A	<u>1</u>	<u>\$ 28,495.50</u>
03	204896	MIKE GIBSON PROPERTY FRIENDSWOOD	GALVESTON <NA>	AS-A	<u>1</u>	<u>\$ 28,897.60</u>

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

December 1, 2010 to December 31, 2010

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 05 Totals					1	\$ 2,500.00
<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>
05	204090	DELTA DRILLING CO. COKER	HOPKINS 01355	AS-A	1	\$ 2,500.00

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

December 1, 2010 to December 31, 2010

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 06 Totals					2	\$ 16,000.00
<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	201484	ENRON OIL TRADING AND TRANSPORT CO. FRANKLIN BATTERY	FRANKLIN <NA>	CU-B	<u>1</u>	<u>\$ 6,000.00</u>
06	204795	QUATROS OPERATING COMPANY BOOKOUT -C-	HARRISON 10387	EC-A	<u>1</u>	<u>\$ 10,000.00</u>

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

December 1, 2010 to December 31, 2010

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 6E Totals					2	\$ 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>
6E	200408	POWERLINE ENERGY CORP. TILL, L. A.	RUSK 07320	CU-A	<u>1</u>	<u>\$ 16,500.00</u>
6E	201473	WIDEMAN, RONALD COSBY	GREGG 06592	CU-A	<u>1</u>	<u>\$ 7,500.00</u>

SUMMARY OF APPROVED/AUTHORIZED CLEANUP ACTIVITIES

December 1, 2010 to December 31, 2010

					<u>Number Approved</u>	<u>RRC Estimate</u>
District 7B Totals					6	\$ 22,600.00
<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	200403	GIDEON OPERATING LUCAS, R. W.	COLEMAN 12107	CU-B	1	\$ 6,000.00
7B	201888	DELANEY OIL AND GAS COMPANY COOK HEIRS	STEPHENS 124882	CU-B	1	\$ 4,000.00
7B	201889	DELANEY OIL AND GAS COMPANY COOK HEIRS	STEPHENS 104450	CU-B	1	\$ 2,000.00
7B	204030	FARMER, BILL OIL FARMER	SHACKELFORD 26664	CU-B	1	\$ 4,500.00
7B	201890	JURASSIC OPERATING COMPANY, INC. SAGE-RAMAGE	BROWN 132163	CU-B	1	\$ 3,100.00
7B	201911	GIDEON OPERATING RENDLEMAN, E. P.	COLEMAN 06098	CU-B	1	\$ 3,000.00
					<u>Number Approved</u>	<u>RRC Estimate</u>
Grand Total (all Districts)					17	\$ 160,956.50