

RAILROAD COMMISSION OF TEXAS

MICHAEL L. WILLIAMS, CHAIRMAN
VICTOR G. CARRILLO, COMMISSIONER
ELIZABETH A. JONES, COMMISSIONER

INTERNAL
OIL AND GAS DIVISION
TOMMIE SEITZ, DIRECTOR

February 6, 2009

MEMORANDUM TO: Chairman Michael L. Williams
Commissioner Victor G. Carrillo
Commissioner Elizabeth A. Jones

FROM: William B. Miertschin, Assistant Director
Site Remediation

SUBJECT: **Site Remediation's Summary Report:
January 2009**

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

1. A summary of all attachments (Attachment A)
2. **In January 2009, a total of sixteen (16) activities were completed at a total cost of \$169,552.57. (Attachment B)**
3. **Of the activities completed in January 2009, two (2) of these activities exceeded the original award amount by greater than 10%. (Attachments C, D, & E)**
4. Of the activities completed in January 2009, ten (10) were routine cleanup activities, three (3) were emergency cleanup activities, and three (3) were assessment activities. (Attachment F)
5. In January 2009, a total of thirty-five (35) activities have been authorized for bid solicitation and codes for a total estimated cost of \$1,033,420.34. (Attachment G)

William B. Miertschin

WBM
William B. Miertschin

WBM/je
Attachments

ATTACHMENT A

Monthly State-Managed Pollution Site Cleanup Activities for January 2009 and FY 2009 to date

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

1.	Number of Cleanup Activities Completed in January 2009	16
	Total Cost of Cleanup Activities Completed in January 2009	\$169,552.57
	Total Number of Cleanup Activities where the the Final Cost Exceeded the Award Amount by > 10% in January 2009	2
2.	Number of Cleanup Activities Completed in FY 2009	67
	Total cost of Cleanup Activities Completed in FY 2009	\$495,659.95
	Total Number of Cleanup Activities where the the Final Cost Exceeded the Award Amount by > 10% in FY 2009	4

New Cleanup Activities (See Attachment G)

1.	Number of Cleanup Activities Authorized for Bid Solicitation and Codes Issued in January 2009	35
	Estimated Cost of Cleanup Activities Authorized in January 2009	\$1,033,420.34
2.	Number of Cleanup Activities Authorized for Bid Solicitation and Codes Issued in FY 2009	125
	Estimated Cost of Cleanup Activities Authorized in FY 2009	\$2,162,326.26

Cleanup Activities Approved But Not Completed

1.	Total Number of Remaining Cleanup Activities as of the last day of January 2009	123
	Total Estimated Cost of Remaining Cleanup Activities	\$3,898,036.76

Cleanup Activities Canceled Without Cost to State

1.	Number of Authorized Cleanup Activities Canceled in January 2009	1
	Total Number of Authorized Cleanup Activities Canceled in FY 2009	2

Miscellaneous Codes - not included in final count but costs are included in final costs. (Attachment F)

1.	Number of Miscellaneous Codes Completed in January 2009	0
	Number of Miscellaneous Codes Completed in FY 2009	1

ATTACHMENT B**Summary of cleanup activities completed during January 2009**

DIST NO.	THIS MONTH		YEAR TO DATE	
	COMP	COST TO STATE	COMP	COST TO STATE
1	6	\$17,622.00	17	\$42,391.00
2	0	\$0.00	1	\$667.90
3	2	\$102,989.33	7	\$213,830.94
4	3	\$12,511.50	8	\$36,815.45
5	0	\$0.00	0	\$0.00
6	0	\$0.00	7	\$36,080.81
7B	0	\$0.00	9	\$22,879.63
7C	3	\$13,317.00	8	\$56,516.38
8	0	\$0.00	3	\$34,843.29
8A	1	\$22,055.74	1	\$22,055.74
9	1	\$1,057.00	6	\$29,578.81
10	0	\$0.00	0	\$0.00
TOTALS	16	169,552.57	67	\$495,659.95

ATTACHMENT C

Summary of cost overruns for cleanup activities completed in January 2009

DIST NO.	This Month Final Cost Exceeded the Award Amount by > 10%	Year-to-Date Final Cost Exceeded the Award Amount by > 10%
1	0	1
2	0	0
3	1	1
4	1	2
5	0	0
6	0	0
7B	0	0
7C	0	0
8	0	0
8A	0	0
9	0	0
10	0	0
TOTALS	2	4

ATTACHMENT E

Cost Overruns Greater than 10%

CU 03-54082, Core E & P Corp. (178381), Koch Santa Fe Unit Lease (087399), Jefferson County
Original Award Amount - \$7,088.90, POCN Award Amount - \$7,962.34, Final Cost \$7,887.34, Increase of 11.3%

The activity was awarded to Milstead Environmental on November 17, 2008, for \$7,088.90 to empty, clean, and render useless the vessels and to remediate the affected area at the subject site. However, additional BS&W was discovered during the cleanup activity, increasing the final cost to a total of \$7,887.34 for the activity.

CU 04-53973, Sanden Oil & Gas Company (747525), LNB-Hunter Lease (01629), Webb County
Original Award Amount - \$7,896.00, POCN Award Amount - \$9,119.00, Final Cost \$8,706.50, Increase of 10.3%

The activity was awarded to Gainco, Inc. on July 21, 2008, for \$7,896.00 to empty, clean, and render useless the vessels and to remediate the affected area at the subject site. However, additional BS&W was discovered during the cleanup activity, requiring an additional day as well as additional backhoe time and personnel mob/demob. This increased the final cost to a total of \$8,706.50 for the activity.

ATTACHMENT F

Summary of cleanup activities completed during January 2009 by activity type

TYPE OF ACTIVITY COMPLETED	THIS MONTH		YEAR TO DATE	
	NO.	COSTS	NO.	COSTS
Routine Site Cleanups (CU)	10	\$ 46,354.84	43	\$ 192,613.71
Emergency Site Cleanups (EC)	3	\$ 99,026.99	14	\$ 158,634.08
Assessment Activities (AS)	3	\$ 24,170.74	9	\$ 143,905.09
Abatement Activities (AB)			1	\$ 280.00
Partial Site Cleanups (PC)			0	\$ -
Miscellaneous Cleanup Activities (MC)			1	\$ 227.07
TOTALS	16	\$ 169,552.57	67	\$ 495,659.95

ATTACHMENT G

Summary of Cleanup Activities Approved/Codes Issued During January 2009

DIST. NO.	THIS MONTH		YEAR TO DATE	
	APPR	EST COST	APPR	EST COST
1	14	\$102,680.00	31	\$204,480.00
2	1	\$500.00	5	\$66,911.00
3	3	\$760,200.00	26	\$1,148,549.67
4	2	\$20,500.00	9	\$72,825.50
5	2	\$18,500.00	2	\$18,500.00
6	3	\$40,301.90	15	\$252,433.30
7B	2	\$11,500.00	3	\$16,500.00
7C	5	\$29,000.00	14	\$87,914.50
8	1	\$40,238.44	4	\$113,910.94
8A	0	\$0.00	1	\$24,656.00
9	1	\$2,000.00	10	\$58,512.00
10	1	\$8,000.00	5	\$97,133.35
TOTALS	35	\$1,033,420.34	125	\$2,162,326.26

Summary of Actions -- Cleanups
 using State Funds
 01/01/2009 to 01/31/2009

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Packet ID	Operator Lease	Priority	County	RRC Estimate	Cost to State	Difference
01 54114 CU	Energy 2000, Inc. Zedler	AS-A	GUADALUPE			
			Packet Total	\$2,000.00	\$1,015.00	-\$985.00
01 53917 CU	Frac Tank Rentals, Inc. Jourdanton Washout Site	AS-A	ATASCOSA			
			Packet Total	\$4,000.00	\$1,100.00	-\$2,900.00
01 54052 CU	Great Plains Resources, Inc. Nichols, Lucy -A-	CU-A	ATASCOSA			
			Packet Total	\$3,500.00	\$710.00	-\$2,790.00
01 54061 CU	Great Plains Resources, Inc. Zoboroski, Fred	CU-A	GUADALUPE			
			Packet Total	\$25,000.00	\$11,219.00	-\$13,781.00
01 54070 CU	Great Plains Resources, Inc. Nichols, Lucy	CU-A	ATASCOSA			
			Packet Total	\$3,500.00	\$710.00	-\$2,790.00
01 54169 CU	Great Plains Resources, Inc. Mullens "GMK"	EC-A	BEXAR			
			Packet Total	\$3,000.00	\$2,868.00	-\$132.00
			REPORT TOTAL	\$41,000.00	\$17,622.00	-\$23,378.00

Summary of Actions -- Cleanups
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Packet ID	Operator Lease	Priority	County	RRC Estimate	Cost to State	Difference
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03 54082 CU	Core E & P Corporation Koch Santa Fe Unit	CU-A	JEFFERSON Packet Total	\$8,100.00	\$7,887.34	-\$212.66
03 54125 CU	Energy Reserves Group, L.L.C. San Leon Facility SWD #1	EC-A	GALVESTON Packet Total	\$97,000.00	\$95,101.99	-\$1,898.01
REPORT TOTAL				\$105,100.00	\$102,989.33	-\$2,110.67

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Packet ID	Operator Lease	Priority	County	RRC Estimate	Cost to State	Difference
04 54067 CU	Rebound Resources Inc Hetherington, Thos	CU-A	WEBB Packet Total	\$2,000.00	\$765.00	-\$1,235.00
04 53973 CU	Sanden Oil & Gas Company LNB-Hunter	CU-B	WEBB Packet Total	\$10,000.00	\$8,976.50	-\$1,023.50
04 54001 CU	Sanden Oil & Gas Company Laredo National Bank Tse. etal	CU-B	WEBB Packet Total	\$3,000.00	\$2,770.00	-\$230.00
			REPORT TOTAL	\$15,000.00	\$12,511.50	-\$2,488.50

Summary of Actions -- Cleanups
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Packet ID	Operator Lease	Priority	County	RRC Estimate	Cost to State	Difference

7C 54127 CU	Boatright, H. C. J. B. Mayberry	CU-A	CROCKETT Packet Total	\$5,000.00	\$4,476.00	-\$524.00
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7C 54078 CU	Pontiac Oil, Inc. Williams	CU-B	CROCKETT Packet Total	\$4,500.00	\$4,284.00	-\$216.00
				-----	-----	-----
7C 54079 CU	Unidentified Ernst	CU-A	RUNNELS Packet Total	\$5,000.00	\$4,557.00	-\$443.00
				-----	-----	-----
REPORT TOTAL				\$14,500.00	\$13,317.00	-\$1,183.00
				=====	=====	=====

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Packet ID	Operator Lease	Priority	County	RRC Estimate	Cost to State	Difference
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8A 54071 CU	Unidentified IH 27 and Yucca Lane	AS-A	LUBBOCK Packet Total	\$24,656.00	\$22,055.74	-\$2,600.26
				-----	-----	-----
			REPORT TOTAL	\$24,656.00	\$22,055.74	-\$2,600.26
				=====	=====	=====

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Packet ID	Operator Lease	Priority	County	RRC Estimate	Cost to State	Difference
09 54121 CU	K.W. Oil Ventures LLC Cunningham	EC-A	WICHITA			
			Packet Total	\$1,500.00	\$1,057.00	-\$443.00
			REPORT TOTAL	\$1,500.00	\$1,057.00	-\$443.00

Summary of Approvals -- Cleanups
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Packet ID	Operator Lease	County Lse or Gas ID	Priority	Number Approved	RRC Estimate
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01 54182 CU	Energy 2000, Inc, Zedler	GUADALUPE 14228	CU-A	1	\$32,000
01 54159 CU	Great Plains Resources, Inc. Quesada	ATASCOSA 11042	CU-A	1	\$3,500
01 54169 CU	Great Plains Resources, Inc. Mullens "GMK"	BEXAR 11467	EC-A	1	\$3,000
01 54192 CU	Great Plains Resources, Inc. J. R. Tiller "A"	CALDWELL 03594	EC-A	1	\$1,000
01 54196 CU	Great Plains Resources, Inc. J. R. Tiller "A"	CALDWELL 03594	CU-A	1	\$7,500
01 54160 CU	Great Plains Resources, Inc, Fowler, Ima 'A'	ATASCOSA 06458	CU-A	1	\$3,000
01 54156 CU	Great Plains Resources, Inc. Quesada -A-	ATASCOSA 10945	CU-A	1	\$4,000
01 54197 CU	Great Plains Resources, Inc. Dowda, James	BEXAR 11145	CU-A	1	\$7,500
01 54173 CU	More Texas Oil Khalsa	WILSON 11412	EC-A	1	\$25,000
01 54172 CU	Quest Research & Dev. Corp Norbert Friesenhahn	BEXAR 01429	AS-A	1	\$3,000
01 54158 CU	Rainer Energy, Inc. Galindo, Clemente	ATASCOSA 10826	CU-A	1	\$3,500
01 54157 CU	Stokes, O.K. Bailey, J.M. -B-	ATASCOSA 10754	CU-A	1	\$3,500
01 54152 CU	T & F Operators Freeman	GONZALES 06117	AS-C	1	\$180
01 54186 CU	Trinidad Petroleum Inc Talley -B-	CALDWELL 12285	CU-A	1	\$6,000
			TOTAL	14	\$102,680

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Packet ID	Operator Lease	County Lse or Gas ID	Priority	Number Approved	RRC Estimate
02 54181 CU	Unidentified James Bellinger Stock Tank	LAVACA 1	AS-A	1	\$500
TOTAL				1	\$500

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Packet ID	Operator Lease	County Lse or Gas ID	Priority	Number Approved	RRC Estimate
03 54133 CU	Roeling Vacuum, Inc. Washout Pit (Permit No. P001605)	LIBERTY -3936	CU-A	1	\$745,000
03 54185 CU	Unidentified Unknown "Horse"	LIBERTY -6715	CU- A	1	\$8,500
03 54187 CU	Unidentified Unknown "D"	LIBERTY -6716	CU-A	1	\$6,700
TOTAL				3	\$760,200

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Packet ID	Operator Lease	County Lse or Gas ID	Priority	Number Approved	RRC Estimate
04 54180 CU	Alacia Operating Company Benavides, Juan	DUVAL 12084	CU-B	1	\$11,000
04 54195 CU	Duvaco Inc Oxychem [Permit #503215]	SAN PATRICIO	CU-B	1	\$9,500
TOTAL				2	\$20,500

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Packet ID	Operator Lease	County Lse or Gas ID	Priority	Number Approved	RRC Estimate
05 54175 CU	D Oil Burnett, C.C.	HILL 03230	CU-A	1	\$13,500
05 54198 CU	Unidentified	FALLS	EC-A	1	\$5,000
TOTAL				2	\$18,500

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Packet ID	Operator Lease	County Lse or Gas ID	Priority	Number Approved	RRC Estimate
06 54170 CU	Arlen Corporation Winston -B-	HARRISON 04882	CU-A	1	\$12,500
06 54164 CU	Petro Engineering Inc Minden Ind School District	RUSK 04999	CU-A	1	\$4,500
06 54191 CU	Unidentified Northview Apartment Site	GREGG	AS-A	1	\$23,301
TOTAL				3	\$40,301

Summary of Approvals -- Cleanups
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Packet ID	Operator Lease	County Lse or Gas ID	Priority	Number Approved	RRC Estimate
7B 54174 CU	Holson Well Service Webb	SHACKELFORD 03222	CU-B	1	\$6,000
7B 54184 CU	Masada Oil & Gas Company LTD Burnam	CALLAHAN 14060	CU-B	1	\$5,500
TOTAL				2	\$11,500

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Packet ID	Operator Lease	County Lse or Gas ID	Priority	Number Approved	RRC Estimate
7C 54151 CU	Always Consulting Inc Russell Heirs	MENARD 16066	CU-C	1	\$2,000
7C 54165 CU	Always Consulting Inc Pfluger "D"	MENARD 09266	CU-C	1	\$6,000
7C 54166 CU	Black River Oper Inc Storey Creek (DP #614764)	COKE -6991	CU-B	1	\$2,000
7C 54176 CU	Black River Oper Inc Willcockson	COKE 07010	CU-A	1	\$9,500
7C 54193 CU	Black River Oper Inc Price Ls., Permit #548381	COKE -6728	CU-B	1	\$9,500
TOTAL				5	\$29,000

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Packet ID	Operator Lease	County Lse or Gas ID	Priority	Number Approved	RRC Estimate
08 54102 CU	Unidentified Dugout Creek	HOWARD -5995	AS-A	1	\$40,238
TOTAL				1	\$40,238

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Packet ID	Operator Lease	County Lse or Gas ID	Priority	Number Approved	RRC Estimate
09 54188 CU	KTC Oil Enterprises, LLC E. R. Prideaux "A"	YOUNG 17637	EC-A	1	\$2,000
TOTAL				1	\$2,000

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Packet ID	Operator Lease	County Lse or Gas ID	Priority	Number Approved	RRC Estimate
10 54168 CU	Sip's Oil & Gas Inc Whittenburg "A" & "B"	HUTCHINSON 00810	CU-B	1	\$8,000
TOTAL				1	\$8,000