

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

**RAILROAD COMMISSION OF TEXAS
FORMAL COMMISSION ACTIONS
DECEMBER 8, 2009**

After providing notice as required by the Texas Open Meetings Act, the Railroad Commission of Texas held an open meeting at the William B. Travis Building, 1701 N. Congress Avenue, in Room 1-111, Austin, Texas, on Tuesday, December 8, 2009, commencing at 9:30 a.m. Chairman Victor G. Carrillo, Commissioner Elizabeth A. Jones and Commissioner Michael L. Williams were present. Chairman Carrillo presided.

OFFICE OF GENERAL COUNSEL-HEARINGS SECTION

GAS SERVICES PROTESTED

1. GUD No. 9910 (and consolidated cases): Appeal of CenterPoint Energy Resources Corp. dba CenterPoint Energy Entex and CenterPoint Energy Texas Gas from the actions of the Cities of Baytown, Clute, Shoreacres, Wharton, and Angleton. The Commission passed this item until the next available conference.

GAS SERVICES UNPROTESTED

2. GUD No. 9921: Statement of Intent filed by Montgomery Gas Transmission, Inc. to increase the city gate rate charged to LDC, LLC. The Commission unanimously approved the examiners recommendation.

OIL AND GAS PROTESTED

3. O&G 7C-0262604: Targa Permian LP to consider a sour gas pipeline pursuant to Statewide Rule 106, Sandhills Gas Processing Plant, Upton County, Texas. The Commission unanimously approved the examiners recommendation.

AGREED ENFORCEMENT ORDERS (6 items; numbers 4-9)

The Commission unanimously approved the following approved orders:

4. O&G 06-0260806: Allison/Hobbs Inc. enforcement action regarding Woodhouse, W. P. B. (00797) Lease, Well Nos. 2 and 7, Long Lake (54664001) Field, Woodburn et al. (12798) Lease, Well Nos. 1 and 2, Beaver (Rodessa) (06550500) Field, Anderson County, Texas. Violation of Statewide Rule 14(b)(2) and (3).

5. O&G 06-0262805: Buffco Production Inc. enforcement action regarding Barber, J. R. Gas Unit #1 (095996) Lease, Well No. 1, Rosewood (Cotton Valley) (78330500) Field, Upshur County, Texas. Violation of Statewide Rules 14(b)(2) and (3); 13(b)(1)(B).

6. O&G 7B-0257673: B & B Oil, Inc. enforcement action regarding Midkiff (18556) Lease, Well Nos. 2 and 7, Shook (18973) Lease, Well No. 4A, Midkiff (Adams Branch) (61074200) Field, Eastland County, Texas. Violation of Statewide Rules 14(b)(2); 3(2); 46(j).

7. O&G 03-0257730: Viper S.W.D., LLC enforcement action regarding Kountze-Couch (11119) Lease, Well No. 2, K-c (Frio 6800) (47799450) Field, Wharton County, Texas. Violation of Statewide Rules 14(b)(2); 3(2) and (3); 9(1) and (12); 16(b).

8. O&G 03-0233307: OWS Energy, Inc. enforcement action regarding Heath, J. B. (21389) Lease, Well No. 01, Madisonville (Lewisville 8400) (56590650) Field, Madison County, Texas. Violation of Statewide Rule 14(d)(12).

9. O&G 06-0233174: OWS Energy, Inc. enforcement action regarding Clark, E. A. Unit 1 (152397) Lease, Well No. 1h, Brookeland (Austin Chalk, 8800) (12193500) Field, Newton County, Texas. Violation of Statewide Rules 14(b)(2); 3(2).

OIL AND GAS UNPROTESTED

CONSENT AGENDA (7 items; numbers 10-16)

The Commission unanimously approved the following applications:

10. O&G 03-0263039: Browning Oil Company, Inc. to amend the field rules for the Gini (Wilcox) Field, Fayette County, Texas.

11. O&G 08-0263239: Cobra Oil & Gas Corporation to consider permanent field rules for the Raman (Fusselman) (74386300) Field, Howard County, Texas.

12. O&G 10-0263275: BP America Production Company to consider an application pursuant to Statewide Rule 23 for authority to utilize vacuum on its Baskin Gas Unit - B- #2344 (236361), Brown Gas Unit -F- #2378 (236362), Burrus #2311 (237063) and Morris Gas Unit #3339 (237065) Wells, Texas Hugoton Field, Sherman County, Texas.

13. O&G 02-0263496: Crossroads Energy L.P. for administrative rescission of field rules for the Ashford, Yegua Field, Lavaca County, Texas.

14. O&G 04-0263546: Newfield Exploration Company for the recommendation of a tight gas formation for the Frio Formation Sarita, East (Frio) (81116500) Field, Kenedy County, Texas.

15. O&G 04-0263656: EOG Resources, Inc. for the Recommendation of a Tight Gas Formation for the Frio Formation Midway, South (Consolidated) (61159290) Field, San Patricio County, Texas.

16. O&G 02-0263654: Pioneer Natural Res. USA, Inc. for the recommendation of a tight gas formation for the Edwards Lime Formation Moray (Edwards) (62827500) and Sawfish (Edwards) (81265500) Fields, De Witt County, Texas.

OFFICE OF GENERAL COUNSEL-RULES

ADOPTION

17. Amendment of 16 Tex. Admin. Code §9.3, relating to LP-Gas Report Forms, and §9.41, relating to Testing of LP-Gas Systems in School Facilities, to implement House Bill 3918, 81st Legislature (Regular Session, 2009) (LPG Docket No. 2082). The Commission unanimously adopted the rule amendments as recommended.

18. Amendment of 16 Tex. Admin. Code §12.108, relating to Permit Fees, to implement the requirements of Article VI, Railroad Commission Rider 10, Senate Bill 1, 81st Legislature (Regular Session, 2009) (SMRD 02-09). The Commission unanimously adopted the rule amendments as recommended.

ADMINISTRATIVE MATTERS

EXECUTIVE OFFICE

19. Issues related to the Sunset Commission review of the Railroad Commission. There was no presentation.

OIL AND GAS DIVISION

20. Approval of an extended service contract for plugging wells with state funds: Requisition # 455-10-0407, for six wells located in Galveston Bay, Chambers County, District 03; estimated value \$707,399. The Commission unanimously approved the plugging contract.

21. Approval of the Oil Field Cleanup Fund Annual Report for Fiscal Year 2009. The Commission unanimously approved this item during the November 24, 2009 conference delegating conforming changes to Denise Hudson. Today the Commissioners unanimously signed the transmittal letter to the Governors office.

PUBLIC INPUT

22. The Commission will provide an opportunity for general public input on any matter under the jurisdiction of the Commission, in accordance with the policy adopted on September 7, 2005. No member of the public provided input at this time.

The conference was adjourned at 10:13 a.m.