

**RAILROAD COMMISSION OF TEXAS
FORMAL COMMISSION ACTIONS
APRIL 24, 2008**

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, April 24, 2008, commencing at 9:30 a.m. Chairman Michael L. Williams and Commissioners Victor G. Carrillo and Elizabeth A. Jones were present. Chairman Williams presided.

OFFICE OF GENERAL COUNSEL – HEARINGS SECTION

GAS SERVICES PROTESTED

1. GUD No. 9770: Appeal of Texas Gas Service Company from the actions of the Cities of Lockhart, Luling, Cuero, Gonzales, Nixon, Shiner and Yoakum, and statement of intent filed to increase rates in the unincorporated areas of the South Texas Service Area. The Commission unanimously approved a revised final order.

SURFACE MINING AND RECLAMATION

2. Docket No. C4-0003-SC-00-A: Application by Luminant Mining Company LLC (f/k/a TXU Mining Company LP) for new permit for proposed Leesburg Mine, Camp County, Texas and proposed self-bond with third-party guarantee. The Commission set this matter for oral argument to be held on May 22, 2008.

3. Docket No. C4-0005-SC-03-C: Application by Luminant Mining Company LP for approval of its renewal/revision application for the Big Brown Mine, Permit No. 3D, and issuance of Permit No. 3E, Freestone County. The Commission unanimously approved the application.

4. Docket No. C7-0008-SC-00-A: Application by San Miguel Electric Cooperative, Inc. for approval of its application for a permit for the proposed SMLM Area C Mine, Atascosa County. The Commission unanimously approved the application.

5. Docket No. C7-0008-SC-00-D: Application by San Miguel Electric Cooperative, Inc. for acceptance of its reclamation performance bond for the proposed SMLM Area C Mine (self-bond with third-party guarantee by National Rural Utilities Cooperative Finance Corporation), Atascosa County, and issuance of permit. The Commission unanimously approved the application.

OIL AND GAS PROTESTED

6. O&G 09-0251512: WEC, Inc. commercial application for a permit to dispose of oil & gas waste by injection into a porous formation not productive of oil or gas, Guru SWD Lease, Well No. 1, Newark, East (Barnett Shale) Field, Bosque County, Texas. The Commission unanimously denied the permit.

AGREED ENFORCEMENT ORDERS

The Commission unanimously approved the following agreed orders:

7. O&G 02-0255014: Cymri, L.L.C. enforcement action regarding Lyons, Annie Lee (01932) Lease, Well Nos. 21d and 23 Burnell (Reklaw) (13648396) Field, Karnes County, Texas. Violation of Rules 14(b)(2) and 9(12).

8. O&G 02-0255400: Cymri, L.L.C. enforcement action regarding Steed, J. E. (02291) Lease, Well No. 01, Burnell (Luling) (13648132) Field, Karnes County, Texas. Violation of Rule 14(b)(2).

9. O&G 02-0255633: Cymri, L.L.C. enforcement action regarding Powell, Ruth -A- (02288) Lease, Well No. 03, Burnell (Luling) (13648132) Field, Karnes County, Texas. Violation of Rule 14(b)(2).

10. O&G 7B-0254430: K & W Vanpelt Company enforcement action regarding Eubanks -A- (01089) Lease, Well Nos. 4a, 5a, 8, & 10, Davis-Bell (Fry Sand) (23403666) Field, Coleman County, Texas. Violation of Rules 14(b)(2); 13(b)(1)(B); 3(1), (2) and (3); and 8(d)(1).

11. O&G 08-0254273: Crone Oil Company enforcement action regarding Cowden, J. Ellis (04480) Lease, Well No. 1 and Tank Battery, Moose (Wolfcamp) (62781750) Field, Midland County, Texas. Violation of Rule 8(d)(1).

12. O&G 08-0255340: Elliott, O. G. Corporation enforcement action regarding Gulf -40-d- (20758) Lease, Well No. 01, Hendrick (40406001) Field, Winkler County, Texas. Violation of Rule 8(d)(1) and Tex. Nat. Res. Code §91.114(h).

13. O&G 03-0255200: Crimson Exploration Oper., Inc. enforcement action regarding Moss-Malone Gas Unit (070978) Lease, Well No. 2, Madisonville (Lewisville 8400) (56590650) Field, Madison County, Texas. Violation of Rule 14(b)(2) and (3).

14. O&G 01-0249617: Jenex Petroleum Corporation enforcement action regarding Lammerts -A- (13331) Lease, Well No. 02, Pearsall (Austin Chalk) (69981125) Field, La Salle County, Texas. Violation of Rules 3(2); 8(d)(1); 9(1); and 46(a).

15. O&G 03-0252788: Omega Energy Corp. enforcement action regarding Angelo Unit (085303) Lease, Well No. 1, Bernard, East (7600) (07301664) Field, Angelo Unit (111212) Lease, Well No. 2, Bernard, East (7700) (07301747) Field, Wharton County, Texas. Violation of Rules 14(b)(2) and (3); 3(2); and 21(j).

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16. O&G 08-0250596: Imperial Gas Resources LLC enforcement action regarding Johnson Lease, Well No. 2 (0527975) Permit, Johnson Lease, Well No. 5 (0529885) Permit, T.C.I. West (Seven Rivers) (87890700) Field, Pecos County, Texas. Violation of Rules 14(b)(2) and 16(a).

17. O&G 09-0255608: Denbury Onshore, LLC enforcement action regarding TRWD Lease, Well No. B 6 (0649884) Permit, Newark, East (Barnett Shale) (65280200) Field, Wise County, Texas. Violation of Rule 5(a).

18. O&G 09-0248585: Sundial Resources, Inc. enforcement action regarding Phillips, M. T. (26040) Lease, Well No. 5A, Young County Regular (99480001) Field, Young County, Texas. Violation of Rules 14(b)(2); 13(b)(2); and 17(b)

19. O&G 6E-0247626: Brashear Production Service, Inc enforcement action regarding (089601) Operator, Altgelt, M. D. (07649) Lease, Well No. 01, East Texas (27302001) Field, Gregg County, Texas. Violation of Rule 14(d)(12).

20. Third Party Damage Docket No. 000011: Scott Thane Ditching Service, L.T.D. enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.4(b) and 18.11(b), at Milburn and Adams, Odessa, Ector County, Texas.

21. Third Party Damage Docket No. 000022: Hoskins Electric enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.3(a) and 18.11(b), at 181 Breccia Cove, Buda, Hays County, Texas.

22. Third Party Damage Docket No. 000028: Smetana & Associates enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.3(e) and 18.11(b), at 1005 S. 2nd Street, Temple, Bell County, Texas.

23. Third Party Damage Docket No. 000032: Turf Technologies enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.3(a) and 18.11(b), at 10595 Strait Lane, Dallas, Dallas County, Texas.

24. Third Party Damage Docket No. 000033: Grady Crawford Construction, Company, Inc. enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.3(a) and 18.11(b), at 803 Woodridge, Longview, Harrison County, Texas.

25. Third Party Damage Docket No. 000034: Coserv Gas, L.T.D. enforcement action for violation of Commission Underground Pipeline Damage Prevention Rule, 16 Tex. Admin. Code §18.8(b), at the intersection of Lebenon & Glendevon, The Colony, Denton County, Texas.

26. Third Party Damage Docket No. 000036: Professional Plumbers Group, Inc. enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.3(a) and 18.11(b), at 1336 Tidwell, Celina, Collin County, Texas.

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27. Third Party Damage Docket No. 000041: South Texas Cabinets enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.3(a) and 18.11(b), at 703 Suzanne, Edna, Jackson County, Texas.

28. Third Party Damage Docket No. 000044: City of Lewisville enforcement action for violation of Commission Underground Pipeline Damage Prevention Rule, 16 Tex. Admin. Code §18.11(b), at 2002 Sierra Drive, Lewisville, Denton County, Texas.

29. Third Party Damage Docket No. 000046: Mastec, Inc-Dallas enforcement action for violation of Commission Underground Pipeline Damage Prevention Rule, 16 Tex. Admin. Code §18.3(e), at Keller Hicks at Alta Vista, Fort Worth, Tarrant County, Texas.

30. Third Party Damage Docket No. 000048: Venus Construction enforcement action for violation of Commission Underground Pipeline Damage Prevention Rule, 16 Tex. Admin. Code §18.11(b), at 1881 N. Central Expressway, Plano, Collin County, Texas.

31. Third Party Damage Docket No. 000050: McKinney & Moore of Texas, L.P. enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.3(e) and 18.11(b), at 1027 Skyline, Jacksonville, Cherokee County, Texas.

32. Third Party Damage Docket No. 000051: Fox Service Company enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.3(a) and 18.11(b), at 12370 Alameda Trace Circle, Austin, Travis County, Texas.

33. Third Party Damage Docket No. 000052: Coastal Conduit & Ditching, Inc. enforcement action for violation of Commission Underground Pipeline Damage Prevention Rule, 16 Tex. Admin. Code §18.11(b), at 2719 Ling Grove Lane, Rosenberg, Fort Bend County, Texas.

34. Third Party Damage Docket No. 000054: CF Jordan L.P. enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.3(e) and 18.11(b), at 1934 Joe Battle, El Paso, El Paso County, Texas.

35. Third Party Damage Docket No. 000058: Bartley Construction enforcement action for violation of Commission Underground Pipeline Damage Prevention Rule, 16 Tex. Admin. Code §18.11(b), at 1604 Old Oak Hill, Conroe, Montgomery County, Texas.

36. Third Party Damage Docket No. 000060: Tiger Creek Enterprises enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.3(e) and 18.11(b), at FM 1988, Goodrich, Polk County, Texas.

37. Third Party Damage Docket No. 000061: City of Beckville enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.4(b) and 18.11(b), at CR 215, Beckville, Panola County, Texas.

38. Third Party Damage Docket No. 000062: John Burns Construction Company of TX. Inc. enforcement action for violation of Commission Underground Pipeline Damage Prevention Rule, 16 Tex. Admin. Code §18.11(b), at 10500 CF Hawn Freeway, Dallas, Dallas County, Texas.

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39. Third Party Damage Docket No. 000064: Mike Albert, Inc. enforcement action for violation of Underground Pipeline Prevention Commission Rule, 16 Tex. Admin. Code §18.11(b), at 520 East Loop 288, Denton, Denton County, Texas.

40. Third Party Damage Docket No. 000066: X-Cell Construction, L.L.C. enforcement action for violation of Commission Underground Pipeline Damage Prevention Rule, 16 Tex. Admin. Code §18.11(b), at 7071 Bethlehem Drive, Grand Prairie, Tarrant County, Texas.

41. Third Party Damage Docket No. 000070: City of McKinney enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.3(a) and 18.11(b), at 1207 N. Morris, McKinney, Collin County, Texas.

42. Third Party Damage Docket No. 000073: Grayco Communications enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.10(b) and 18.11(b), at 5415 Bear Hunters, Katy, Harris County, Texas.

43. Third Party Damage Docket No. 000076: City of Orange, Texas enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.3(a) and 18.11(b), at 216 S. Farragut, Orange, Orange County, Texas.

44. Third Party Damage Docket No. 000082: Wood Crafters of Texas, Inc. enforcement action for violation of Commission Underground Pipeline Damage Prevention Rules, 16 Tex. Admin. Code §§18.3(a) and 18.11(b), at 4919 Holly, Bellaire, Harris County, Texas.

45. Third Party Damage Docket No. 000083: Swisher Electric Cooperative, Inc. enforcement action for violation of Commission Underground Pipeline Damage Prevention Rule, 16 Tex. Admin. Code §18.11(b), at FM 179 and County Road 20, Plainview, Hale County, Texas.

46. Third Party Damage Docket No. 000086: The 5125 Company enforcement action for violation of Commission Underground Pipeline Damage Prevention Rule, 16 Tex. Admin. Code §18.11(b), at Expressway 83 & La Homa Road, Palmview, Hidalgo County, Texas.

OIL AND GAS UNPROTESTED

CONSENT AGENDA

The Commission unanimously approved the following applications:

47. O&G 03-0253429: Railroad Commission District 03 Commission called review of the temporary field rules for the Double a Wells, N (Austin Chalk) (25646100) Field, Polk County, Texas.

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48. O&G 04-0255587: Erskine Energy, LLC consolidation of the Ann Mag (9700 Vicksburg), Ann Mag (10200), Ann Mag, East (Blainey), Ann Mag, SW. (Lower Vx.), Ann Mag, SW (Vicksburg Deline Sd), Ann Mag, SW (Vicksburg 11), Ann Mag, W. (Middle Vicksburg), and Ann Mag, West (10,400) Fields into a single field to be known as the Ann Mag (Vicksburg Cons.) Field, and to adopt field rules for the consolidated field, Brooks and Kleberg Counties, Texas.
49. O&G 04-0255992: EOG Resources, Inc. to amend the field rules for the Roma, East (5650) Field, Starr County, Texas.
50. O&G 05-0255753: Decker Operating Co., L.L.C. to amend the field rules for the Thomas Lake (Cotton Valley) Field, Henderson County, Texas.
51. O&G 06-0255500: Ventum Oil and Gas, LP to consider unitization and secondary recovery authority for the proposed Chitsey (Smackover) Field Unit, Chitsey (Smackover) Field, Franklin County, Texas.
52. O&G 06-0255788: Cordillera Texas, L.P. to amend the field rules for the Southern Pine (Travis Peak) Field, Cherokee and Houston Counties, Texas.
53. O&G 06-0255789: Forest Oil Corporation to amend the permanent field rules for the Willow Springs (Cotton Valley) Field, Gregg and Upshur Counties, Texas.
54. O&G 06-0255790: Forest Oil Corporation to amend the permanent field rules for the Hardwood (Cotton Valley) Field, Harrison County, Texas.
55. O&G 06-0255791: Forest Oil Corporation to amend the permanent field rules for the Woodlawn, SW (Cotton Valley) Field, Harrison County, Texas.
56. O&G 06-0255792: Forest Oil Corporation to amend the permanent field rules for the Woodlawn (Cotton Valley) Field, Harrison and Marion Counties, Texas.
57. O&G 06-0255891: XTO Energy Inc. to consider permanent gas well classification, Maxwell Lease, Well No. 1; and to consider assignment of the subject well to the Carthage (Cotton Valley) Field, Panola County, Texas.
58. O&G 7B-0255078: Whitt Investments, Inc. application of Whitt Oil & Gas Inc. to supersede the provisions of the final order in Docket No. 7B-0230550 requiring Wespac Technologies Corp. (908691) to plug the McWhorter Lease, (27348), Well No. 1, Wildcat Field, Callahan County, Texas, enabling Whitt Oil & Gas, Inc. to become the operator of record.
59. O&G 8A-0255757: Voskamp Exploration, Inc. to amend the field rules for the Wasson (Wichita Albany) Field, Gaines and Yoakum Counties, Texas.
60. O&G 04-0256296: Magnum Producing, LP for administrative rescission of field rules, May (4 Sand, Middle Seg. B) (58556810) Field, Kleberg County, Texas.
61. O&G 04-0256297: Magnum Producing, LP for administrative rescission of field rules, May (7A Sand, Upper Seg B) (58556945) Field, Kleberg County, Texas.

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62. O&G 04-0256298: Magnum Producing, LP for administrative rescission of field rules, May (Middle 6 Seg A) (58556432) Field, Kleberg County, Texas.
63. O&G 04-0256299: Magnum Producing, LP for administrative rescission of field rules, May (Middle 7) (58556486) Field, Kleberg County, Texas.
64. O&G 04-0256300: Magnum Producing, LP for administrative rescission of field rules, May (Massive 7) (58556324) Field, Kleberg County, Texas.
65. O&G 04-0255142: El Paso E&P Zapata, L.P. to amend the field rules for the Haynes (Middle Wilcox Cons.) Field, Zapata County, Texas.
66. O&G 04-0255143: El Paso E&P Zapata, L.P. to consider permanent field rules for the Munoz (Lobo) (63836500) Field, Zapata County, Texas.
67. O&G 04-0255995: El Paso E & P Company, L. P. to amend the field rules in the Bob West (L-1-4), Bob West (L-5-10), Bob West (L-12, 13, 14, 15), Bob West (L-18, 20, 21, 22), Bob West (L-24, 25, 26), Bob West (L-27, 28, 29), Bob West (L-30, 31, 32, 33), Bob West (L-34-47), and Bob West (Roleta) Fields, Starr and Zapata Counties, Texas.
68. O&G 06-0255296: Samson Lone Star, LLC to amend the field rules for the Douglass, W. (Travis Peak) Field, Nacogdoches County, Texas.
69. O&G 09-0255026: Range Production Company to consider an exception to SWR 86(d)(4) requirement that all points on the horizontal drainhole must be within the proration and drilling unit, Carter-Alcon Unit, Well No. 2h, Newark, East (Barnett Shale) Field, Tarrant County, Texas.
70. O&G 09-0255027: Range Production Company to consider an exception to SWR 86(d)(4) requirement that all points on the horizontal drainhole must be within the proration and drilling unit, Carter-Alcon Unit, Well No. 1h, Newark, East (Barnett Shale) Field, Tarrant County, Texas.
71. O&G 09-0255028: Range Production Company to consider an exception to SWR 86(d)(4) requirement that all points on the horizontal drainhole must be within the proration and drilling unit, Carter-Alcon Unit, Well No. 3h, Newark, East (Barnett Shale) Field, Tarrant County, Texas.
72. O&G 09-0255029: Range Production Company to consider an exception to SWR 86(d)(4) requirement that all points on the horizontal drainhole must be within the proration and drilling unit, Green Bay Unit, Well No. 1h, Newark, East (Barnett Shale) Field, Tarrant County, Texas.
73. O&G 09-0255030: Range Production Company to consider an exception to SWR 86(d)(4) requirement that all points on the horizontal drainhole must be within the proration and drilling unit, Green Bay Unit, Well No. 2h, Newark, East (Barnett Shale) Field, Tarrant County, Texas.
74. O&G 09-0255031: Range Production Company to consider an exception to SWR 86(d)(4) requirement that all points on the horizontal drainhole must be within the proration and drilling unit, Albertsons Unit, Well No. 2h, Newark, East (Barnett Shale) Field, Tarrant County, Texas.

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75. O&G 09-0255032: Range Production Company to consider an exception to SWR 86(d)(4) requirement that all points on the horizontal drainhole must be within the proration and drilling unit, Albertsons Unit, Well No. 5h, Newark, East (Barnett Shale) Field, Tarrant County, Texas.

76. O&G 08-0255681: Ruwco Oil and Gas Corp. to consider a net gas-oil ratio for its Green-Eyed Lease, Well No. 1, Hedge (Canyon Reef) Field, Howard County, Texas.

77. O&G 08-0255758: Sandridge Energy, Inc. to consider consolidation of the Thistle (Caballos B), Thistle (Caballos B., Fb-2), Thistle (Caballos Novaculite), Thistle (Caballos Novaculite, Fb 2) and Thistle (Caballos Novaculite, E Fb) Fields into a single field to be known as the Thistle (Overthrust) Field, and to adopt field rules for the proposed field, Pecos and Mitchell Counties, Texas.

78. O&G 08-0255759: Forest Oil Corporation to amend the permanent field rules for the Iatan, East Howard (44148500) Field, Howard and Mitchell Counties, Texas.

79. O&G 03-0249702: Katy Mills L.P. to consider a qualified subdivision for an 80.02 acre tract, J.W. McCutcheon Survey, § 44, A-1348, Harris County, Texas.

MASTER DEFAULT ORDERS

The Commission unanimously approved the following default orders:

80. O&G 02-0253852: Tejas Operating LLC enforcement action regarding Matthew-Kuester (002034) Lease, Well No.18 L, Helen Gohlke (Wilcox B-2) (40231396) Field, Matthew-Kuester (059775) Lease, Well No.18 U, Helen Gohlke (Wilcox A-1) (40231297) Field, De Witt County, Texas. Violation of Rules 14(b)(2) and (3) and 3(1) and (2).

81. O&G 02-0253862: Tejas Operating LLC enforcement action regarding Brown, Sophie G. (06944) Lease, Well No. 02, Helen Gohlke, SW. (Wilcox) (40238200) Field, Victoria County, Texas. Violation of Rule 14(b)(2) and (3).

82. O&G 03-0253333: Tristar Exploration, Inc enforcement action regarding Isabel B. Martin Unit (23728) Lease, Well No. 01, Chenango (8700) (17418600) Field, Brazoria County, Texas. Violation of Rule 14(b)(2) and (3).

83. O&G 09-0253790: McCallum, Donald D. enforcement action regarding Flusche -A- (18471) Lease, Wichita County Regular (97155001) Field, Wichita County, Texas. Violation of Rule 8(d)(4)(G)(i)(III).

84. O&G 6E-0253284: Glade Production enforcement action regarding Jones, Alfred (06428) Lease, East Texas (27302001) Field, Gregg County, Texas. Violation of Rule 8(d)(1).

ADMINISTRATIVE MATTERS

SURFACE MINING AND RECLAMATION DIVISION

85. Presentation of the Year 2008 Texas Reclamation Award to the Luminant Mining Company. The Commission made the presentation to company representatives.

OIL AND GAS DIVISION

86. Authority to award an extended service contract for plugging wells with state funds, requisition #455-8-1020, fifteen (15) wells located in the Gulf of Mexico (Districts 02 & 03); estimated value \$5,000,000. The Commission unanimously approved this item.

87. Authority to award an extended service contract for plugging wells with state funds, requisition #455-8-0963, nine (9) wells located in Liberty and Hardin Counties (District 03); estimated value \$380,690. The Commission unanimously approved this item.

COMMISSIONERS

Chairman Williams

88. Status report on GUD No. 9762, Statement of Intent filed by Atmos Energy Corp., Mid-Tex Division to increase gas utility rates in the unincorporated areas served by the Mid-Tex Division; discussion and possible action regarding mediation. On motion of Chairman Williamson, the Commission directed the parties to engage in mediation prior to May 16, 2008, and for that mediation to include members of the cities with decision-making authority, such as city manager, city attorney, and/or council members and mayor.

PUBLIC INPUT

89. 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 10:40 am.