

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

**RAILROAD COMMISSION OF TEXAS
FORMAL COMMISSION ACTIONS
JULY 15, 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, July 15, 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. 9791: Statement of Intent of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex and CenterPoint Energy Texas Gas to increase rates in the unincorporated areas of CenterPoint's Texas Coast Division, and all consolidated dockets. The Commission discussed and approved procedural issues regarding the hearing. The Commissioners will preside over the hearing August 18-20, 2008.

OIL AND GAS PROTESTED

2. O&G 04-0255281: Pogo Producing Company appeal pursuant to SWR 101 of the administrative denial of Pogo's application to re-open and approve Docket No. 04-153977; North Central Oil Corporation's application for severance tax certification of Haynes, L. (197014) Lease, Well No.91, Los Mogotes (9150) (54976900) Field, Zapata County, Texas. The Commission unanimously approved the final order.

3. O&G 01-0249297: Roland Oil Company Commission called hearing on the good faith claim of Roland Operating Company to operate the North Charlotte Field Unit (03220) Lease, Charlotte, North (17250001) Field, Atascosa County, Texas. The Commission unanimously approved the final order.

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4. O&G 03-0253815: Integrity Petroleum Group, Inc., enforcement action regarding Chambco Interest LP Well No. 5 (0554327) Permit, IPG/Chambco Interest LP Well No. 8 (0556043) Permit, IPG/Chambco Well No. 9 (0560118) Permit, Brookshire (12306001) Field, Waller County, Texas. Violation of SWRs 14(b)(2); 13(b)(1)(B); 5; 3(1) and (2); and 16(b). The Commission unanimously approved the final order.

5. O&G 09-0256098: Brammer Petroleum, Inc. Commission called hearing to show cause why the plugging extension for East Ham Gas Unit (106860) Lease, Well No.1, Paradise Cove (Lo Dornick Hills) (69090300) Field, Grayson County, Texas, should not be cancelled and Brammer Petroleum, Inc. should not be ordered to immediately plug the well. The Commission unanimously approved the final order.

6. O&G 03-0254795: Masters Oil & Gas, LLC enforcement action regarding RFR Tract 199 (122384) Lease, Well No.1, Red Fish Reef (Frio F-15) (75234663) Field, Galveston County, Texas Fishers Reef State Tract 13-16a (164682) Lease, Well No.1, Wildcat (00006001) Field, RFR Tract 200 (18895) Lease, Well Nos.186 & 200 Red Fish Reef (FB B-4, Frio 11B) (75234650) Field, Chambers County, Texas. Violation of SWR 14(b)(2). The Commission unanimously approved the final order.

7. O&G 03-0254796: Masters Oil & Gas, LLC enforcement action regarding RFR Tract 223 (041621) Lease, Well No.8, Red Fish Reef (FB A-1, Frio 1) (75234052) Field, RFR Tract 248 (12314) Lease, Well No. 3, Red Fish Reef (FB A-2 N, Frio 1) (75234273) Field, RFR Tract 248 (19400) Lease, Well No. 193, Red Fish Reef (FB A-3, Frio 6) (75234286) Field, Chambers County, Texas. Violation of SWR 14(b)(2). The Commission approved the final order.

8. O&G 03-0254797: Masters Oil & Gas, LLC enforcement action regarding RFR Tract 204 (008106) Lease, Well No.125, State Tract 204 (169867) Lease, Well No.1, Red Fish Reef, North (Frio 15) (75236750) Field, Chambers County, Texas. Violation of SWR 14(b)(2). The Commission approved the final order.

9. O&G 09-0252373: Finley Resources, Inc. for the formation of a unit pursuant to the Mineral Interest Pooling Act, for the proposed East Side Unit, Newark, East (Barnett Shale) Field, Tarrant County, Texas. Commissioners Carrillo and Jones voted to remand the case back to the examiner to prepare an amended proposal for decision, approving the application and to include revised terms and conditions. Chairman Williams voted no.

10. O&G 09-0253880: Chesapeake Operating, Inc. to amend the field rules for the Newark, East (Barnett Shale) Field, Bosque, Clay, Comanche, Cooke, Denton, Eastland, Ellis, Erath, Hamilton, Hill, Hood, Jack, Johnson, Montague, Palo Pinto, Parker, Somervell, Tarrant, Young and Wise Counties, Texas. Commissioners Carrillo and Jones voted to approve the examiner's recommendation with certain modifications to the final order. A new order will be presented at a later conference. Chairman Williams recused himself.

11. O&G 09-0249853: Hess, Jerry Operating Co. commercial application for a permit to dispose of oil & gas waste by injection into a porous formation not productive of oil or gas, Hwy 51 Disposal Lease, Well No.1, Cooke County Regular (20350001) Field, Cooke County, Texas. The Commission unanimously denied the motion for rehearing.

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12. 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 motion for rehearing.

13. O&G 0249662: Crest Resources, Inc. to consider an exception to Statewide Rules 37 and 38 for the Davis Lease, Well No. 361, Stiles Ranch, South (Morrow, Lo) (86127250) Field, Stiles Ranch (Granite Wash) (86125200) Field, Stiles Ranch (Atoka) (86125100) Field, Ivester (Atoka) (44858500) Field, Wheeler County, Texas. Commissioner Carrillo made a motion to grant the motion for rehearing. Chairman Williams made a motion to deny the motion for rehearing. Both motions died for lack of a second. Commissioner Jones recused herself. The Commission took no action on this case; therefore, the motion for rehearing will be overruled by operation of law.

AGREED ENFORCEMENT ORDERS

The Commission unanimously approved the following agreed orders:

14. O&G 02-0256711: Petrogulf Corporation enforcement action regarding Roemer (148818) Lease, Well No.1a, Long Mott, S.E. (7700) (54687575) Field, Calhoun County, Texas. Violation of SWR 14(b)(2).

15. O&G 01-0251367: LTS Oil & Gas a enforcement action regarding Weeks, M.N. (12430) Lease, Well Nos.1 & 2 Pearsall (Austin Chalk) (69981125) Field, La Salle County, Texas. Violation of SWR 14(b)(2).

16. O&G 03-0250660: Smith, L C Production enforcement action regarding Oden, Sydnor (16190) Lease, Well Nos.1 and 2, Mykawa New (64185001) Field, Harris County, Texas. Violation of SWRs 14(b)(2); 8(d)(1); 21(j); and 3(2).

17. O&G 01-0256716: Smith, L C Production enforcement action regarding Shepard, H. L. (03562) Lease, Well No. 01, Pearson, W.T. (07877) Lease, Well No. 01, Minerva-Rockdale (61858001) Field, Milam County, Texas. Violation of SWR 14(b)(2).

18. O&G 01-0255410: Tejones Operating Corporation enforcement action regarding (841338) Operator, Montgomery, E.F. (10210) Lease, Well No. 01, Acleto Creek (Poth A) (00467505) Field, Wilson County, Texas. Violation of SWRs 14(b)(2); 9(12); and 9(11)(B).

19. O&G 04-0257154: Johnson Resources, Inc. enforcement action regarding Kelly, Eleanor (04350) Lease, Well No. 01, Kelly Ranch (Frio 6266) (48563500) Field, Nueces County, Texas. Violation of SWR 73(i).

20. O&G 01-0248150: Express Oil Co. enforcement action regarding Martindale (13967) Lease, Well No. 02, Los Angeles (3800) (54941600) Field, La Salle County, Texas. Violation of SWRs 14(b)(2); 3(1) and (2); and 46(j)(2).

21. O&G 7B-0256330: Oak Resources, Inc. enforcement action regarding Cox (15823) Lease, Well No. 01, Claytonville (Canyon Sd. 5200) (18799498) Field, Fisher County, Texas. Violation of SWRs 14(b)(2) and 14(b)(3).

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22. O&G 08-0255012: Jett Natural Resources Corp enforcement action regarding University (01229) Lease, Well No. 05, Dune (26538001) Field, Crane County, Texas. Violation of SWRs 14(b)(2) and 46(j).

23. O&G 7B-0257160: Hill, Charles Drilling, Inc. enforcement action regarding Marcom Lease, Well No. 2 (0634554) Permit, Wildcat (00014001) Field, Stephens County, Texas. Violation of SWR 5(c).

24. O&G 8A-0256714: Platinum Exploration Inc. enforcement action regarding H & J 371 (68369) Lease, Well No. 06, Seminole, West (82233001) Field, Gaines County, Texas. Violation of SWRs 14(b)(2) and 46(j).

25. O&G 09-0256185: Lavonne Bell Production enforcement action regarding Hyer (00792) Lease, Well No. 06, Archer County Regular (03446001) Field, Archer County, Texas. Violation of SWRs 14(b)(2); 14(b)(3); 3(1), (2), and (3); and 13(b)(1)(B).

26. O&G 03-0256779: Magnum Producing, LP enforcement action regarding Tenbrink (19206) Lease, Well No. 01, Chenango, West (8500 Sd.) (17424498) Field, Brazoria County, Texas. Violation of SWRs 14(b)(2) and 14(b)(3).

27. O&G 03-0252773: Cavalry Resources LLC enforcement action regarding Flessner, D. (09777) Lease, Well Nos.01, & 1A Nash Dome (64535001) Field, Fort Bend County, Texas. Violation of SWRs 14(b)(2); 14(b)(3); and 9(12).

28. O&G 01-0255414: Square One Corporation enforcement action regarding Earnest, W. A. (05073) Lease, Well Nos.283, & 302 Pearsall (Austin Chalk) (69981125) Field, Zavala County, Texas Beeler, R.F. "A" (05654) Lease, Well No. 301, Pearsall (Austin Chalk) Field (69981125) Field, Frio County, Texas. Violation of SWRs 14(b)(2); 2(a); and 73(i).

29. O&G 01-0255009: Rimfire Land & Cattle Co. enforcement action regarding West Ranch #4S Lease, Well No. 4s (0557262) Permit, Wildcat (00002001) Field, Val Verde County, Texas. Violation of SWRs 14(b)(2) and 16(b).

30. O&G 01-0255634: Premier Minerals, Inc. enforcement action regarding Stout (06671) Lease, Well No. 02, Pearsall (Austin Chalk) (69981125) Field, Frio County, Texas. Violation of SWRs 14(b)(2) and 9(12)(A).

31. O&G 03-0254029: Range Production Company enforcement action regarding Shipnes-Butler (186111) Lease, Well No.1RE, Navasota River (Cretaceous Lwr.) (64616300) Field, Washington County, Texas. Violation of SWR 14(d)(12).

32. LP-Gas Docket No. 1939: Aransas Propane Company enforcement action for violation of LP-Gas Safety Rule §9.135, at Redfish Lodge-Katie's Lodge, P.O. Box 22952, Rockport, Aransas County, Texas.

33. LP-Gas Docket No. 1950: Martin Operating Partnership, L.P. enforcement action for violation of LP-Gas Safety Rule §9.135, at the Joe Seeburg residence, Box 111, Price, Rusk County, Texas.

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34. GUD Docket No. 9798: Woodsboro Natural Gas Corp. enforcement action for violation of Commission Pipeline Safety Rules 16TAC §8.205(5) and 49 CFR §192.613(a) at its gas distribution system ID No. 711354, Company ID No. 0457, Woodsboro, Refugio County, Texas.

35. Damage Prevention Docket No. 000019: Texas MH Movers enforcement action for violation of Underground Pipeline Damage Prevention Rules 16 TAC §18.3(a) and §18.11(b), at 110 Woodlawn, Friendswood, Harris County, Texas.

36. Damage Prevention Docket No. 000025: Klaasmeyer Construction Company, Inc. enforcement action for violation of Underground Pipeline Damage Prevention Rules 16 TAC §18.3(e) and §18.10(b), at 8201 Elizabeth Lane, League City, Galveston County, Texas.

37. Damage Prevention Docket No. 000072: Garland Power & Light enforcement action for violation of Underground Pipeline Damage Prevention Rules 16 TAC §18.3(a) and §18.11(b), at 1236 Winding Brook, Garland, Dallas County, Texas.

38. Damage Prevention Docket No. 000081: Atmos Energy, West Texas Division enforcement action for violation of Underground Pipeline Damage Prevention Rule 16 TAC §18.8(b), at 703 E. Malone, Pampa, Gray County, Texas.

39. Damage Prevention Docket No. 000084: Atmos Energy, West Texas Division enforcement action for violation of Underground Pipeline Damage Prevention Rule 16 TAC §18.8(b), at FM 179 and CR 20, Plainview, Hale County, Texas.

40. Damage Prevention Docket No. 000111: Atmos Energy, West Texas Division enforcement action for violation of Underground Pipeline Damage Prevention Rule 16 TAC §18.8(b), at FM 2337 and CR 145, Plainview, Hale County, Texas.

41. Damage Prevention Docket No. 000235: Atmos Energy Corp., Mid-Tex Division enforcement action for violation of Underground Pipeline Damage Prevention Rule 16 TAC §18.8(b), at 4813 Cliffwood, Garland, Dallas County, Texas.

42. Damage Prevention Docket No. 000309: Atmos Energy Corp., Mid-Tex Division enforcement action for violation of Underground Pipeline Damage Prevention Rule 16 TAC §18.8(b), at 615 Sylvan, Longview, Gregg County, Texas.

43. Damage Prevention Docket No. 000331: City of Groves enforcement action for violation of Underground Pipeline Damage Prevention Rules 16 TAC §18.3(e) and §18.11(b), at 6599 Jefferson, Groves, Jefferson County, Texas.

44. Damage Prevention Docket No. 000354: CenterPoint Energy Entex enforcement action for violation of Underground Pipeline Damage Prevention Rule 16 TAC §18.8(b), at 2426 5th Street, Missouri, Fort Bend County, Texas.

45. Damage Prevention Docket No. 000365: A & A Sewer Contractors, Inc. enforcement action for violation of Underground Pipeline Damage Prevention Rule 16 TAC §18.11(b), at 7134 Hovingham, San Antonio, Bexar County, Texas.

46. Damage Prevention Docket No. 000367: RC Loader Work enforcement action for violation of Underground Pipeline Damage Prevention Rules 16 TAC §18.11(b) and §18.3(a), at #10 Crescent Park, San Antonio, Bexar County, Texas.

OIL AND GAS UNPROTESTED

CONSENT AGENDA

The Commission unanimously approved the following applications:

47. O&G 8A-0257317: XTO Energy Inc. to allow injection of fluid containing hydrogen sulfide pursuant to the "injection provision" of SWR 36(c)(10) into all injection wells on the Cornell Unit (19453), Mahoney, H.O. Lease, (07572) and Mahoney, H.O. Lease, (61083), Wasson and Wasson 72 Fields, Yoakum County, Texas.

48. O&G 08-0257100: ConocoPhillips Company to consolidate the Embar (5600) Field into the Embar (Permian) Field, and to amend the field rules for the consolidated Embar (Permian) Field, Andrews, Ector, and Reagan Counties, Texas.

49. O&G 09-0256751: Range Production Company to consider an exception to the SWR 86(d)(4) requirement that all points on a horizontal drain hole be within the proration and drilling unit, Tucker-Campbell Unit, Well No. 3H, Newark, East (Barnett Shale) Field, Denton County, Texas.

50. O&G 09-0256752: Range Production Company to consider an exception to the SWR 86(d)(4) requirement that all points on a horizontal drain hole be within the proration and drilling unit, Tucker-Campbell Unit, Well No. 2H, Newark, East (Barnett Shale) Field, Denton County, Texas.

51. O&G 08-0254565: ConocoPhillips Company to consider an MER and GOR for wells in the Embar (Devonian) Field, Andrews and Ector Counties, Texas.

52. O&G 10-0256984: Mewbourne Oil Company to consider a net gas-oil ratio for its Pearl Parker "710" #1 Well and for its Parker, Verner V. "A" "711" #1 Well, in the Mammoth Creek, North (Cleveland) Field, Lipscomb County, Texas.

53. O&G 05-0256985: Barrow-Shaver Resources Co. to consider a net gas-oil ratio for Casey (03845) Lease, Well No.2, Red Oak (Dexter) (75363080) Field, Leon County, Texas.

54. O&G 10-0255093: Samson Lone Star, LLC to consider whether the Chambers 108 Lease, Well No. 1, should be reclassified as a gas well, Mendota, NW. (Granite Wash) Field, Roberts County, Texas.

55. O&G 10-0255095: Samson Lone Star, LLC to consider whether the Coffee 12 Lease, Well No. 1, should be reclassified as a gas well, Mendota, NW. (Granite Wash) Field, Hemphill County, Texas.

56. O&G 10-0255097: Samson Lone Star, LLC to consider whether the Mendota Ranch 10D Lease, Well No. 5, should be reclassified as a gas well, Mendota, NW. (Granite Wash) Field, Hemphill County, Texas.

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57. O&G 10-0256400: Samson Lone Star, LLC to consider an MER for the Campbell Lease, Well No. 2216, Mendota, NW. (Granite Wash) Field, Hemphill County, Texas.

58. O&G 03-0256401: Samson Lone Star, LLC to consider an MER allowable for the Sun-Harder Lease, Well No. 1, Nome (X Sand) Field, Jefferson County, Texas.

59. O&G 09-0256795: Quicksilver Resources Inc. to expand the tight gas area for the Newark, East (Barnett Shale) Field to include Somervell and Bosque Counties, Texas.

60. O&G 8A-0256987: Fasken Oil and Ranch, Ltd. to consider permanent field rules for the Wellkat (Silurian) (96175500) Field, Terry County, Texas.

61. O&G 03-0256485: Anadarko E&P Company LP to consider a new field designation, transfer of wells and temporary field rules for a field to be known as the Pegasus (Austin Chalk) Field, Jasper County, Texas.

62. O&G 04-0257211: Wagner Oil Company to consolidate the La Sal Vieja (Frio 10700), La Sal Vieja (Frio 10800), La Sal Vieja (Frio 10950), La Sal Vieja (Frio 11,000), La Sal Vieja (Frio 11100), La Sal Vieja (Frio 11360), La Sal Viejo (Nuevo), and La Sal Vieja (Oberg) Fields into a single field to be known as the La Sal Vieja (Frio Cons) Field, and to adopt field rules for the proposed consolidated field, Willacy and Hidalgo Counties, Texas.

63. O&G 01-0257034: TXCO Resources Inc. to amend the field rules for the Comanche-Halsell (6500) (19890750) Field, Maverick, Dimmit, and Zavala Counties, Texas.

64. O&G 03-0256754: Zachry Exploration, Ltd. to consider an MER and an increased net GOR or other allowable relief for its BP Country Lane Well No. 1, Arriola Dome (6650 Sand) Field, Hardin County, Texas.

65. O&G 7C-0257096: Southwest Royalties, Inc. to consider an MER for the Barnett-Amacker Lease, Well No.9, Spraberry (Trend Area) (85279200) Field, Upton County, Texas.

66. O&G 06-0257377: Cabot Oil & Gas Corporation for permanent field rules and expansion of the correlative interval designation for the Trawick (Jurassic) Field, Nacogdoches County, Texas.

67. O&G 7B-0257098: Cholla Petroleum, Inc. to consider 100% AOF allowable status for the P.K. Lake (Congl.) Field, Palo Pinto County, Texas.

68. O&G 03-0257575: ConocoPhillips Company for the recommendation of a tight gas formation for the Wilcox Formation Fulshear, S. (Wilcox H Stray) (33290491) Field, Fort Bend County, Texas.

69. O&G 03-0257576: ConocoPhillips Company for the recommendation of a tight gas formation for the Meek Sand Formation Endurance (Third Meek Sand) (29075380) Field, Fort Bend County, Texas.

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70. O&G 04-0257301: Chesapeake Operating, Inc. for the recommendation of a tight gas formation for the Lower Vicksburg Formation McMoran (8960) (59818852) Field, Hidalgo and Starr Counties, Texas.

71. O&G 04-0257300: Denali Oil & Gas Management, LLC for the recommendation of a tight gas formation for the Wilcox Formation Haynes (Hinnant Cons.) (39818175) Field, Zapata County, Texas.

72. O&G 03-0257214: Milagro Exploration, LLC for the recommendation of a tight gas formation for the Lw9, Lw10 and Lw11 Zones Wolfpack (Lower Wilcox Cons.) (98428500) Field, Colorado and Lavaca Counties, Texas.

73. O&G 03-0257215: Milagro Exploration, LLC for the recommendation of a tight gas formation for the Lw7 Zone Wolfpack (Lower Wilcox Cons.) (98428500) Field, Colorado and Lavaca Counties, Texas.

74. O&G 03-0257216: Milagro Exploration, LLC for the recommendation of a tight gas formation for the Lw2 Zone Wolfpack (Lower Wilcox Cons.) (98428500) Field, Colorado and Lavaca Counties, Texas.

75. O&G 8A-0257686: Occidental Permian Ltd. for authority pursuant to SWR 50 to approve or certify an EOR project for the Slaughter Consolidated (68016) Lease, Tstar (ABO) (91621001) Field, Hockley County, Texas.

76. O&G 8A-0257687: Occidental Permian Ltd. for authority pursuant to SWR 50 to Approve or Certify an EOR Project for the Levelland Unit (03780) Lease, Levelland (53411001) Field, Hockley County, Texas.

77. O&G 8A-0257688: Occidental Permian Ltd. for authority pursuant to SWR 50 to Approve or Certify an EOR Project for the Levelland Unit (03780) Lease, Levelland (53411001) Field, Hockley County, Texas.

78. O&G 8A-0257689: Occidental Permian Ltd. for authority pursuant to SWR 50 to Approve or Certify an EOR Project for the East RKM Unit (60410) Lease, Slaughter (83991001) Field, Hockley County, Texas.

79. O&G 8A-0257523: Occidental Permian Ltd. for authority pursuant to SWR 50 to Approve or Certify an EOR Project for the West RKM Unit (19691) Lease, Slaughter (83991001) Field, Hockley County, Texas.

80. O&G 8A-0257524: Occidental Permian Ltd. for authority pursuant to SWR 50 to Approve or Certify an EOR Project for the West RKM Unit (19691) Lease, Slaughter (83991001) Field, Hockley County, Texas.

81. O&G 8A-0257525: Oxy USA WTP LP for Authority Pursuant to SWR 50 to Approve or Certify an EOR Project for the West Welch Unit (14783) Lease, Welch (96062001) Field, Gaines and Dawson Counties, Texas. H-13

82. O&G 8A-0257526: Texland Petroleum, L.P. for Authority Pursuant to SWR 50 to Approve or Certify an EOR Project for the Welch Northeast Unit (60301) Lease, Welch (96062001) Field, Lynn County, Texas H -13.

MASTER DEFAULT ORDERS

The Commission unanimously approved the following default orders:

83. O&G 04-0253390: Western Pride Resources, Inc., enforcement action regarding Adami, Sidney Et al. (122473) Lease, Well No.1, Charamousca, West (Rosenberg) (17115175) Field, Duval County, Texas. Violation of SWR 14(b)(2).

84. O&G 01-0254496: Fortune Operating Company enforcement action regarding Sweeney, Camille (12964) Lease, Well No. 1, Touchstone (Olmos -A-) (90831500) Field, Sweeney, Camille (13240) Lease, Well No. 2, Pearsall (Austin Chalk) (69981125) Field, Frio County, Texas. Violation of SWRs 14(b)(2); 3(1), (2), and (3); and 8(d)(1).

85. O&G 03-0252453: Saxet Operating Co., Inc. enforcement action regarding Thompson, L. P. (097109) Lease, Well No.1, Madisonville (Sub-Clark, Gas) (56590712) Field, Madison County, Texas. Violation of SWRs 8(d)(1) and 22.

86. O&G 09-0245971: Janlo Operating enforcement action regarding H-B Lease, Well No. 2 (0542648) Dp. JMG Mag (Miss) (45099250) Field, Jack County, Texas. Violation of SWRs 13(b)(2)(A)(i) and 16(a).

87. O&G 09-0254085: Hughes, Bill Drilling, Inc. enforcement action regarding Powell (23720) Lease, Well Nos. 1, 2, 4, 5 & 6, Young County Regular (99480001) Field, Young County, Texas. Violation of SWRs 14(b)(2); 13(b)(1)(B); 3(1) and (2); 9(11); 9(12); and 16(b).

88. O&G 05-0254390: Reserve Operating Corp. enforcement action regarding Tuggle, Annie Mae -B- (00831) Lease, Well No. 3, Ham Gossett, East (38400001) Field, Kaufman County, Texas. Violation of SWR 14(b)(2).

ADMINISTRATIVE MATTERS

EXECUTIVE OFFICE

89. Approval of an interlocal contract with the City of Fort Worth for office space, and authority for Executive Director to execute the contract. The Commission unanimously approved this item.

PERSONNEL DIVISION

90. Fiscal Year 2009 agency-wide certification regarding drug-free workplace requirements in compliance with federal grant conditions under Drug-Free Workplace Act of 1988. The Commission unanimously approved this item.

OIL AND GAS DIVISION

91. Devon Energy Production Co., L.P. request for authorization for pilot project to treat and re-use fracture flow-back fluids and produced water from Barnett Shale. The Commission unanimously approved this item.

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92. Authority to award an extended service contract for plugging wells with State funds; Requisition Number 455-8-1364, seven wells located in Galveston Bay, Chambers County, Texas; estimated value \$700,000. The Commission unanimously approved the contract award.

93. Transmittal letter to the Governor for the Oil and Gas Annual Report. The Commission unanimously signed the transmittal letter.

PUBLIC INPUT

94. 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 11:15 am.