

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

**\RAILROAD COMMISSION OF TEXAS
FORMAL COMMISSION ACTIONS
APRIL 10, 2007**

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 12-170, Austin, Texas, on Tuesday, April 10, 2007, commencing at 9:30 a.m. Chairman Elizabeth A. Jones and Commissioners Michael L. Williams and Victor G. Carrillo were present. Chairman Jones presided.

OFFICE OF GENERAL COUNSEL – HEARINGS SECTION

GAS SERVICES PROTESTED

1. GUD No. 9691: Enbridge Pipelines (North Texas) LP's Application Pursuant to Section 311 of the Natural Gas Policy Act for Review of the Reasonableness of a Rate Being Charged Under an Existing Gas Sales Contract. The Commission unanimously approved the final order.
2. GUD No. 9708: Statement of Intent Filed by Texas Gas Service Company to Change Rates in the Environs of the Rio Grande Valley Service Area. The Commission unanimously approved the final order.
3. GUD No. 9713: Statement of Intent Filed by Greenlight Gas to Set Rates for Natural Gas Service for Unincorporated Areas in Foard and Knox Counties, Texas. The Commission unanimously approved the final order.

SURFACE MINING AND RECLAMATION

4. Docket No. C7-0013-SC-26-E: Application by Texas Municipal Power Agency for Acceptance of Collateral Bond with Amended and Restated Letter of Credit for Permit No. 26D, Gibbons Creek Lignite Mine, Grimes County, Texas. The Commission unanimously approved the application.
5. Docket No. C7-0014-SC-38-E: Application by Texas Municipal Power Agency for Acceptance of Self-Bond and Collateral Bond with Amended and Restated Letter of Credit for Permit No. 38D, Gibbons Creek Lignite Mine V, Grimes County, Texas. The Commission unanimously approved the application.

OIL AND GAS PROTESTED

6. O&G 7B-0249434: Central Basin Oil Inv. Inc. Enforcement Action Regarding Barnes, P. H. (08680) Lease, Well No. 02, Brown County Regular (12406001) Field, Brown County, Texas. Violation of Rule 46(a). The Commission unanimously approved the final order dismissing the complaint.

AGREED ENFORCEMENT ORDERS

The Commission unanimously approved the following agreed orders:

7. GUD No. 9719: AOFH Meadowcreek, L.L.C. enforcement action for violation of Pipeline Safety Regulations 49 CFR 192.721(a), 192.625(f)(2), 192.747(a), 192.739, 192.463(a) and 16 Tex. Admin. Code §8.220(b), at Oak Hollow Apartments, 7201 Wood Hollow Drive, Austin, Texas.

8. O&G 09-0248903: Farrell Oil Company Enforcement Action Regarding McGowan (25586) Lease, Well No. 01, Quanah (73609001) Field, Hardeman County, Texas. Violation of Rule 14(b)(2).

9. O&G 08-0249472: Double Eagle Petroleum Corp Enforcement Action Regarding Clay, H. R., -A- (20542) Lease, Well Nos. 1, 2 & 3, Howard Glasscock (42971001) Field, Glasscock County, Texas. Violation of Rules 14(b)(2); 14(b)(3).

10. O&G 04-0249970: Manti Operating Company Enforcement Action Regarding State Tract 78 Lease, Well No. 1 (0614488) Permit, Wildcat (00008001) Field, Kleberg County, Texas. Violation of Rule 13(b)(2)(A)(i).

11. O&G 8A-0250599: Oxy USA WTP LP Enforcement Action Regarding Willard Unit (19308) Lease, Well No. 80W, Wasson (95397001) Field, Yoakum County, Texas. Violation of Rule 13(b)(1)(B).

12. O&G 02-0250451: Mission River Systems, Inc. Enforcement Action Regarding Slick Sand Oil Unit (04558) Lease, Well No. 26 & Tank Battery, Tulsita (Wilcox) (91741200) Field, Bee County, Texas. Violation of Rules 14(b)(2); 14(b)(3); 8(d)(1); 8(d)(2).

13. O&G 02-0249149: Petra Oleum Corp. Enforcement Action Regarding Urban -A- (170173) Lease, Well No. 2, Pridham Lake (4100) (73147624) Field, Ewers, Pinkie (151038) Lease, Well No. 3, Hope (Miocene 1550) (42528284) Field, Hamman, E.H. (145437) Lease, Well No. 2, Hope (Miocene 1250) (42528142) Field, Pribyl (199964) Lease, Well No. 10, Coletto Creek (2350) (19557329) Field, Borchers, William (065184) Lease, Well No. 5 L, Borchers (1500) (10634150) Field, Borchers, William (132385) Lease, Well No. 11 U, Ashley (Borchers) (04093400) Field, Victoria, Lavaca County, Texas. Violation of Rule 14(b)(3).

14. O&G 09-0249589: Whitehead Prod. Co., Inc. Enforcement Action Regarding

MINUTES – APRIL 10, 2007

Shawver (065926) Lease, Well No. A1, Jack County Regular (Gas) (45274025) Field, Jack County, Texas. Violation of Rules 14(b)(2); 14(b)(3); 13(b)(1)(B); 3(1), (2), and (3).

15. O&G 06-0239430: IPACT Enforcement Action Regarding Greer Lease Well No. 6-BH (0531985) Permit, Wildcat Field, Harrison County, Texas. Violation of Rules 8(d)(2); 13(b)(1)(B); 14(b)(2); 16(a).

16. O&G 02-0248498: Stratco Operating Co., Inc. Enforcement Action Regarding Harris -N- (118346) Lease, Well No. 2, Harris, NE. (Massive Seg. C) (39247426) Field, Live Oak County, Texas. Violation of Rules 14(b)(2); 3(1) and (2).

17. O&G 01-0248990: Humedel Land & Minerals, Inc. Enforcement Action Regarding (413095) Operator, Byrd, H.C. -A- (12481) Lease, Well No. 01, Coughran (Austin Chalk) (21076333) Field, Atascosa County, Texas. Violation of Rule 14(b)(2).

18. O&G 8A-0250765: Lee Transports, Inc. Enforcement Action Regarding Willard, N. W. "B" (61337) Lease, Well No. 01, Levelland (53411001) Field, Hockley County, Texas. Violation of Rule 8(d)(2).

OIL AND GAS UNPROTESTED

CONSENT AGENDA

The Commission unanimously approved items 19 through 25. Items 26, 27 and 28 were withdrawn.

19. O&G 05-0249175: O’Ryan Oil and Gas to consider the application of O’Ryan Oil and Gas (617042), for a permit pursuant to Statewide Rules 36 and 46 to Inject fluid containing hydrogen sulfide into a reservoir productive of oil or gas, Lewis "A" Lease (Gas ID #147295), Well No. 2, Chicken Soup (Smackover) Field, Henderson County, Texas.

20. O&G 08-0250424: Chaparral Energy, L.L.C. to amend the field rules for the Chaparral Draw (Olds) Field, Loving County, Texas.

21. O&G 08-0250591: Kinder Morgan Production Co LP to amend field rules, Yates Field, Pecos and Crockett Counties, Texas.

22. O&G 10-0250771: Chesapeake Operating, Inc. to expand the correlative interval and to adopt a two-factor allocation formula, B & B (Granite Wash) Field, Wheeler County, Texas.

23. O&G 7C-0250172: MLC Operating, LP to consider temporary field rules for the Freedom (Ruby Limestone) (32900300) Field, Crockett County, Texas.

24. O&G 7C-0250293: Southwest Royalties, Inc. to consider an MER for the Windham, R.S.'C' Lease, Well No. 3, Spraberry (Trend Area) (85279200) Field, Upton County, Texas.

25. O&G 01-0250766: Exxon Mobil Corporation to balance the Dilworth (Edwards

Lime) Field, McMullen County, Texas.

26. Approval of the claim by Frances L. Breeding against the proceeds from the sale of salvage recovered during State-funded plugging operations on the following well: King Oil & Gas Co. (463700), Rainbow-Roggenstein Lease (25155), Well Nos. R4 & R5, Callahan County Regular Field, Callahan County, Texas, State-funded plug code 7B-15147.

27. Approval of the claim by Frances L. Breeding against the proceeds from the sale of salvage recovered during State-funded plugging operations on the following well: King Oil & Gas Co. (463700), Roggenstein -M- Lease (20861), Well No. 3, Callahan County Regular Field, Callahan County, Texas, State-funded plug code 7B-15148.

28. Approval of the claim by Frances L. Breeding against the proceeds from the sale of salvage recovered during State-funded plugging operations on the following well: King Oil & Gas Co. (463700), Roggenstein, Georgia Mae Lease (13764), Well Nos. 1,2,3,4,5,6,8, and 11, Callahan County Regular Field, Callahan County, Texas, State-funded plug code 7B-15149.

ADMINISTRATIVE MATTERS

EXECUTIVE OFFICE

29. Discussion of and possible action on Fiscal Year 2008-2009 Legislative Appropriation Request and any other pending legislation affecting the Railroad Commission of Texas. The Commission took no action on this item.

PUBLIC INPUT

30. 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 general public provided input.

The Conference was adjourned at 9:55 am.