

**RAILROAD COMMISSION OF TEXAS  
FORMAL COMMISSION ACTIONS  
MAY 30, 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 1-1111, Austin, Texas, on Tuesday, May 30, 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. 9696: Atmos Energy Corp., Mid-Tex Division, proposed revisions to the gas cost process severed from GUD No. 9670 and GUD No. 9732, Atmos Energy Corp., Mid-Tex Division gas contract review. The Commission deferred this matter for further consideration.

**GAS SERVICES UNPROTESTED**

2. GUD No. 9469: Statement of intent filed by CenterPoint Energy Entex to change rates in the environs of the City of Houston. The Commission unanimously approved this item.

3. GUD No. 9726: Application of Atmos Pipeline-Texas for Test Year 2006 annual interim rate adjustment for the pipeline system. The Commission unanimously approved the order extending the deadline.

**SURFACE MINING AND RECLAMATION**

4. Docket No. C7-0019-SC-00-E: Application by TXU Mining Company LP for acceptance of alternate method of qualification of self-bonds with third-party guarantor, TXU Energy Company, LLC; Permit Nos. 3D, 4I, 5F, 34D, 46B, and 49. The Commission unanimously approved the application.

**OIL AND GAS PROTESTED**

5. O&G 06-0248813: Samson Lone Star LP to consider permanent gas well classification for its Vaughn Gas Unit 1, Well No. 3, Waskom (Cotton Valley) Field, Harrison County, Texas. The Commission unanimously denied this item.

**MINUTES – MAY 30, 2007**

6. O&G 06-0249228: Samson Lone Star LP to consider permanent gas well classification for its Taylor Estate Lease, Well No. 1, Waskom (Cotton Valley) Field, Harrison County, Texas. The Commission unanimously denied this item.

7. O&G 7B-0250119: Chesapeake Operating, Inc. to inject fluid into a reservoir productive of oil or gas, Cloud (Strawn Sand) Unit, Well Nos. 309, 401, 212 and 210, Herrin (Burson Sand, Upper) Field, Haskell County, Texas. The Commission unanimously approved this item.

8. O&G 0249939: Howell Oil & Gas, Inc. to consider an exception to SWR 37/38 for the St. John Baptist Church Lease, Well No. 1, Carthage, North (Cotton Valley) (16034250) Field, Wildcat (00012001) Field, Bethany (Travis Peak Cons.) (07527722) Field, Bethany (Pettit 6170) (07527527) Field, Harrison County, Texas. The Commission unanimously approved the application.

9. O&G 8A-0250450: Platinum Exploration Inc. enforcement action regarding Jones Heirs "C" (68618) Lease, Well No. 04, Jones Ranch, South (San Andres) (47191900) Field, Gaines County, Texas. Violation of Rules 14(b)(2); 14(b)(3); and 3(2). The Commission unanimously approved granting the motion for rehearing.

**AGREED ENFORCEMENT ORDERS**

The Commission unanimously approved the following agreed orders:

10. LP-Gas Docket No. 1870: Roberts Grain & Supply, Inc. enforcement action for violations of 49 CFR 180.407(a) and 173.31(n)(5), at Roberts Grain & Supply Unit #4, Karnes City, Karnes County, Texas.

11. GUD Docket No. 9638: Kinder Morgan Tejas Pipeline, L.P. enforcement action for violation of 49 CFR 192.13, at the Rio Plant, Zapata County, Texas.

12. GUD Docket No. 9725: DGP Luling Pipeline, L.L.C. enforcement action for violation of 49 CFR 195.505(b), on the EZ-3 Luling Plant/Austin (System ID #450550), Caldwell County, Texas.

13. O&G 06-0250396: Cordillera Texas, L.P. enforcement action regarding J. E. Snow Gas Unit Lease, Well 6 (0625409) Permit, Gilmer, S. (Cotton Valley) (34947500) Field, Upshur County, Texas. Violation of Rule 8(d)(1).

14. O&G 7B-0246833: Hassell, Danny enforcement action regarding Meazell, Casey "A" (103937) Lease, Well No. 1, Lake Leon (Duffer) (51491300) Field, Eastland County, Texas. Violation of Rules 14(b)(2); 13(b)(1)(B); and 3.

15. O&G 09-0251272: McCutchin Petroleum Corporation enforcement action regarding (544550) operator, Thornton Lease, Well No. 2 (0557974) Permit, Wildcat (00022001) Field, Jack County, Texas. Violation of Rules 3(1), (2), and (3) and 16(b).

16. O&G 09-0251227: Chaparral Energy, L.L.C. enforcement action regarding Anson (29120) Lease, Well No. 01, Bandera (Lyn 6230) (05412650) Field, Montague County, Texas. Violation of Rules 14(b)(2) and 9(12).

**MINUTES – MAY 30, 2007**

17. O&G 10-0236827: Caldwell Production Co. Inc. enforcement action regarding Lewis (01265) Lease, Well Nos. 1 & 2, Panhandle Hutchinson County Fld. (68887001) Field, Hutchinson County, Texas, and Harrah (01540) Lease, Well Nos. 1, 2, & 4, Panhandle Gray County Field (68873001) Field, Gary County, Texas. Violation of Texas Natural Resources Code, Section 91.143.

18. O&G 09-0245442: Zajac Oil Co. Enforcement action regarding Waggoner -B- (06557) Lease, Well Nos. 4, 8WS, & 10, Waggoner -F- (13283) Lease, Well Nos. 1, 2, 3, 4, 7, & 8, Wilbarger County Regular (97331001) Field, Wilbarger County, Texas. Violation of Rules 14(b)(2); 3(2); 13(b)(1)(B); 8(d)(2); and 46(j).

**OIL AND GAS UNPROTESTED**

**CONSENT AGENDA**

The Commission unanimously approved the following applications:

19. O&G 03-0251161: Delta Exploration Company, Inc. to consider a net gas-oil ratio for Aeolus Lease, Well No. 1, Norial (Y2-B) Field, Newton County, Texas.

20. O&G 06-0250916: Harman Operating Company, Inc. to consider a new field designation for the Sessions, J. W. Heirs Lease, Well No. 1, to be known as the Thanksgiving (Lower, Glen Rose) Field and to consider temporary field rules for the proposed field and to cancel all overproduction in the proposed field, Angelina County, Texas.

21. O&G 08-0251523: McClure Oil Company, Inc. to consider permanent field rules for the St. Lawrence, NE. (Leonard) (79690400) Field, Glasscock County, Texas.

22. O&G 10-0251359: American Star Energy & Min. Corp to consider an exception to the field rules as applied to its Bearkiller Well No. 40, Panhandle Hutchinson County Field, Hutchinson County, Texas.

23. O&G 10-0251360: American Star Energy & Min. Corp to consider an exception to the field rules as applied to its Bearkiller Well No. 10, Panhandle Hutchinson County Field, Hutchinson County, Texas.

24. O&G 10-0251407: American Star Energy & Min. Corp to consider an exception to the field rules as applied to wells on its Whittenburg A Lease, Panhandle Hutchinson County Field, Hutchinson County, Texas.

25. O&G 03-0251159: Sandhawk Energy, LLC, to consider consolidation of the Drews Landing (Wilcox) and Drews Landing (Wilcox 10,600) Fields into a field to be known as the Drews Landing (Wilcox Cons) Field, and to consider field rules for the proposed consolidated field, San Jacinto County, Texas.

26. O&G 04-0250905: Samson Lone Star LP, to consider consolidation of the Hargill (8850), Hargill (10,000), Hargill (11000 Sand) and Hargill (11400 Frio) Fields into a single field to be known as the Hargill (Frio Cons.) Field, and to consider permanent field rules for the proposed consolidated field, Hidalgo and Willacy County, Texas.

**MINUTES – MAY 30, 2007**

27. O&G 08-0250767: Discovery Operating, Inc., to consider a net gas-oil ratio for its Comanche Creek 25 Lease, Well No. 1, Lehn-Apco, S. (Wichita-Albany) Field, Pecos County, Texas.

28. O&G 02-0251237: Newfield Exploration Company for the recommendation of a tight gas formation for the Wilcox Formation, Provident City (Wilcox 13,800) (73293 533), Lavaca County, Texas.

29. O&G 01-0251201: CMR Energy, L. P. for the recommendation of a tight gas formation for the Georgetown Formation, Pena Creek (Georgetown) (70411 210), Dimmit and Maverick Counties, Texas.

30. O&G 04-0250968: Suemaur Expl. & Prod. LLC for the recommendation of a tight gas formation for the Frio Formation, La Sal Vieja (Deep) (51011 029), Willacy County, Texas.

31. O&G 05-0251200: BRG Lone Star Ltd for the recommendation of a tight gas formation for the Travis Peak Formation, Bear Gras (Travis Peak) (06476 800), Leon County, Texas.

**MASTER DEFAULT ORDERS**

The Commission unanimously approved the following default orders:

32. O&G 01-0249370: Shoreham Oil & Gas Company, Inc. enforcement action regarding (778499) operator, Beard (04077) Lease, Well No. 01, Cherokee (Navarro) (17466333) Field, Milam County, Texas. Violation of Rule 14(b)(2) and (3).

33. O&G 08-0250082: Jade Oil enforcement action regarding Hadwen, Helen (07254) Lease, Well Nos. 1, 3, 4, & 5, Ward, South (95138001) Field, Ward County, Texas. Violation of Rule 8(d)(1).

34. O&G 7B-0246544: Proco Operating Co., Inc. enforcement action regarding Green, Nell (065177) Lease, Well No. 4, Lipan (Strawn) (53826500) Field, Hood County, Texas. Violation of Rules 14(b)(2) and 3(1) and (2).

35. O&G 7B-0249771: Tri-Tex Exploration Ltd enforcement action regarding Bacon, Mac (09083) Lease, Well No. 01, Taylor County Regular (88520001) Field, Taylor County, Texas. Violation of Rule 14(b)(2) and (3).

**OFFICE OF GENERAL COUNSEL-RULES**

**ADOPTION**

36. Notice of completion of review and re-adoption of 16 Tex. Admin. Code Chapter 14, relating to Regulations for Liquefied Natural Gas (LNG), in accordance with Texas Government Code, §2001.039, and repeal of 16 Tex. Admin. Code §14.2001, relating to LNG Advisory Committee. This item was unanimously approved.

37. New 16 Tex. Admin. Code §§18.1-18.12, relating to Scope, Applicability, and General Provisions; Definitions; Excavator Notice to Notification Center; Excavator Obligation to Avoid Damage to Underground Pipelines; Operator and Excavator Obligations with Respect to Positive Response; General Marking Requirements; Excavator Marking Requirements; Operator Marking Requirements; Options for Managing an Excavation Site in the Vicinity of an Underground Pipeline; Excavation within Tolerance Zone; Reporting Requirements; and Penalty Guidelines, in new Chapter 18, entitled Underground Pipeline Damage Prevention. The Commission unanimously approved this item with revisions.

## **ADMINISTRATIVE MATTERS**

### **EXECUTIVE OFFICE**

38. Discussion of and possible action on Fiscal Year 2008-2009 Legislative Appropriation Request and any other pending legislation affecting the Railroad Commission of Texas. No action was taken regarding this item.

### **COMMISSIONERS**

#### **Commissioner Williams**

39. FutureGen Funding: (1) agreements with the Governor and other state agencies and institutions of higher education; and (2) leases of property for the injection and storage of carbon dioxide. The Commission unanimously approved this item.

#### **Commissioner Carrillo**

40. Discussion and possible action regarding temporary field rules for Toyah, NW(Shale) Field, Reeves County, Texas. Commissioner Carrillo withdrew this item.

### **PUBLIC INPUT**

41. 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 10:35 am.