

**RAILROAD COMMISSION OF TEXAS
FORMAL COMMISSION ACTIONS
JUNE 13, 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 1-111, Austin, Texas, on Wednesday, June 13, 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. 9670 (and consolidated cases): Petition for de novo review of the reduction of the gas utility rates of Atmos Energy Corp., Mid-Tex Division by the City of Blue Ridge, Caddo Mills, et. al.; Atmos Energy Corporation Statement of Intent to change rates in the Atmos Energy Corp., Mid-Tex Division Gas Utility System; and petition for review from the actions of municipalities denying rate request. Commissioner Williams made a motion that the refund be completed within one year of the date of the order. Commissioner Carrillo seconded the motion and Chairman Jones voted no. The Commission unanimously approved the revised order, granting in part and denying in part, the motions for rehearing.

2. 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 unanimously approved a revised interim order.

SURFACE MINING AND RECLAMATION

3. Docket No. C7-0017-SC-29-E: Application by Norit Americas Inc. for acceptance of reclamation performance bond (surety bond) for Permit No. 29C, Darco Mine, Harrison County, Texas. The Commission unanimously approved the application.

OIL AND GAS PROTESTED

4. O&G 01-0249492: Cinco Natural Resources Corp. Application pursuant to Statewide Rule 78(g) for an exception to the financial security requirements for all applicant operated wells within the State of Texas. The Commission unanimously approved that a revised interim order be prepared and presented for consideration at the next conference.

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5. O&G 10-0248157: Losure Pet. Co. Enforcement action regarding Pritchard, Sallie - B- (00928) Lease, Well Nos.1, & 2, Pritchard (01846) Lease, Well Nos. 2, 3 & 4W, Panhandle Hutchinson County (68887001) Field, Hutchinson County, Texas. Violation of Rules 14(b)(2); 14(b)(3); and 46(j). The Commission unanimously approved the final order.

6. O&G 02-0248250: Platinum Exploration, Inc. enforcement action regarding Wood, C. G. & R. H. (051006) Lease, Well No.4, Woodsboro, South (4200) (98630500) Field, Refugio County, Texas. Violation of Rules 14(b)(2) and 14(b)(3). This item was deferred for consideration at the next conference.

7. O&G 08-0248249: Platinum Exploration Inc. enforcement action regarding Long, Annie A Lease, Well No. 4SD (0511663) Permit, Long, Annie A. Lease Well No. 6 (0513566) Permit, Glasco (Devonian) (35197333) Field, Andrews and Gaines Counties, Texas. Violation of Rules 14(b)(2) and 16(b). This item was deferred for consideration at the next conference.

8. O&G 08-0248259: Platinum Exploration Inc. Enforcement action regarding China Lake "205" (185261) Lease, Well No.2, Burkholder (Fusselman) (13593200) Field, Pioneer G.P.-State Gas Unit (068772) Lease, Well No.1, Quito (Atoka) (73926300) Field, Ward County, Texas. Violation of Rules 14(b)(2); 14(b)(3); and 13(b)(1)(B). This item was deferred for consideration at the next conference.

9. O&G 8A-0249475: Platinum Exploration Inc. enforcement action regarding Griffin "F" (61469) Lease, Well No. 01, Hobo (Pennsylvanian) (41816333) Field, Lane (60008) Lease, Well Nos.1D, 2 & 3, Reinecke, E. (Canyon) (75781500) Field, Borden County, Texas. Violation of Rules 14(b)(2); 14(b)(3); 3(1) and (2); 36(d)(1); and 46(j). This item was deferred for consideration at the next conference.

10. O&G 8A-0249476: Platinum Exploration Inc. enforcement action regarding Griffin, T. L. "6-A" (02665) Lease, Well Nos. 2A & 6, Griffin, T. L. "6-B" (02666) Lease, Well No. 4, Griffin, T. L. "6-C" (02667) Lease, Well Nos. 8 & 12, Hobo (Pennsylvanian) (41816333) Field, Borden County, Texas. Violation of Rules 14(b)(2); 14(b)(3); and 3(1) and (2). This item was deferred for consideration at the next conference.

AGREED ENFORCEMENT ORDERS

The Commission unanimously approved the following agreed orders:

11. LP-Gas Docket No. 1864: Inergy Propane, L.L.C., enforcement action for violation of LP-Gas Safety Rule §9.135, at Eagle Metal Products, 510 East Main St., Gun Barrel City, Henderson County, Texas.

12. LP-Gas Docket No. 1892: Wylie LP-Gas, Inc., (Tommy Wright d/b/a The Feed Store), enforcement action for violation of LP-Gas Safety Rule §9.132, at Sterling City, Sterling County, Texas.

13. LP-Gas Docket No. 1893: Tommy Wright d/b/a The Feed Store, enforcement action for violation of LP-Gas Safety Rule §9.7(f), at Sterling City, Sterling County, Texas.

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14. LP-Gas Docket No. 1909: Micro Star, Inc., enforcement action for violation of LP-Gas Safety Rule §9.7(f), at League City, Galveston County, Texas.

15. O&G 06-0241293: Foster, Steven Construction enforcement action regarding Kapp Lease, Well No. 01 (0512797) Permit, Kapp Lease, Well No. 02 (0519550) Permit, Wildcat Field, Red River County, Texas. Violation of Rules 14(b)(2); 3(2); 16(a); and 8(d)(4)(G)(i)(I).

16. O&G 09-0251702: Peba Oil & Gas Co. enforcement action regarding Matlock-Fullerton (24633) Lease, Well No. 17, Jack County Regular (45274001) Field, Jack County, Texas. Violation of Rules 46(a) and 3(2).

17. O&G 09-0250645: CD Consulting & Operating Co. enforcement action regarding (120043) operator, Green, Dewanda (19502) Lease, Well No. 02, Wise County Regular (98246001) Field, Wise County, Texas. Violation of Rules 14(b)(2) and 14(b)(3).

18. O&G 09-0251221: Hardrock Operating Company, Inc. enforcement action regarding (356779) operator, Viola (23382) Lease, Well No. 09, Young County Regular (99480001) Field, Young County, Texas. Violation of Rule 14(b)(1).

19. O&G 09-0250723: Dark Horse Operating Co., L.L.C. enforcement action regarding (200532) operator, Embry Lease Well No. 1 (0621048) Permit, Newark, East (Barnett Shale) (65280200) Field, Montague County, Texas. Violation of Rule 16(b).

20. O&G 7B-0249437: Roughriders Oilfield Services, Inc. enforcement action regarding (730066) operator, Sup 312 & Greenwood Road Sites Lease, WHP-8738, Unknown Field, Parker County, Texas. Violation of Rule 8(d)(1).

21. O&G 09-0251271: Henderson, Sam W. enforcement action regarding Blagg (05539) Lease, Well No. 20, Wichita County Regular (97155001) Field, Wichita County, Texas. Violation of Rule 46(j).

22. O&G 7B-0246541: Tidwell Production Company Enforcement action regarding Camp, J. L. (11544) Lease, Well No. 01, Taylor County Regular (88520001) Field, Taylor County, Texas. Violation of Rules 14(b)(2) and 3(1) and (2).

OIL AND GAS UNPROTESTED

CONSENT AGENDA

The Commission unanimously approved the following applications:

23. O&G 03-0251524: Texakota, Inc. to consider temporary field rules for the Gum Slough (Yegua) (37468500) Field, Jasper County, Texas.

24. O&G 08-0251412: Texland Petroleum, L. P. to establish an entity for density for the Scarborough Unit Lease (31494), Fullerton (San Andres) Field (33230 500), Andrews County, Texas.

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25. O&G 7C-0251203: Willo Oil & Gas Exploration, LLC for the recommendation of a tight gas formation for the Ellenburger Formation, Willo (Ellenburger) Field, Crockett and Val Verde Counties, Texas.

26. O&G 01-0251411: Swift Energy Operating, LLC for the recommendation of a tight gas formation for the Olmos Formation, A. W. P. (Olmos) Field, McMullen County, Texas.

27. O&G 04-0251629: Kerr-McGee Oil & Gas Onshore LP for the recommendation of a tight gas formation for the Vicksburg Formation, Braulia, East (Vicksburg Cons.) Field, Starr County, Texas.

MASTER DEFAULT ORDERS

The Commission unanimously approved the following default orders:

28. O&G 7B-0242574: Vanguard Production Company enforcement action regarding Rogers "D" (20020) Lease, Well No. 04, Bowne (Caddo) (10944400) Field, Callahan County, Texas. Violation of Rule 46(j).

29. O&G 09-0250720: Family Oilfield Investments, Ltd. enforcement action regarding (261278) operator, George, W. F. (14708) Lease, Wichita County Regular (97155001) Field, Wichita County, Texas. Violation of Rule 73 and Tex. Nat. Res. Code Ann. §91.143.

30. O&G 06-0250477: Gulftex Operating Inc. enforcement action regarding Jacobs, J. L. (05762) Lease, Well No. 01, Winnsboro, SE. (Sub-Clarksville) (98104500) Field, Wood County, Texas. Violation of Rules 14(b)(2) and 14(b)(3).

31. O&G 06-0250706: Eason Production Company enforcement action regarding Parker, G.E. Lease, Well No. 1 (0543594) Permit, Wildcat (00012001) Field, Cass County, Texas. Violation of Rules 14 (b)(2); 3(1) and (2); and 16(a).

ADMINISTRATIVE MATTERS

ADMINISTRATION DIVISION

32. Request to increase Fiscal Year 2007 oil field clean-up budget for well plugging services. The Commission unanimously approved this item.

COMMISSIONERS

Commissioner Williams

33. Discussion of and possible action regarding report by staff on recent pipeline incidents and pipeline safety measures for local distribution companies. The Commission received information from the Safety Division regarding the projects planned for the summer months including leak survey and compression coupling data collection.

PUBLIC INPUT

34. 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.