

**RAILROAD COMMISSION OF TEXAS
FORMAL COMMISSION ACTIONS
APRIL 24, 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 24, 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. 9660: Application of Crosstex CCNG Transmission Ltd. Pursuant to NGPA §311 for Review of the Reasonableness of a Transportation Rate (Order Nunc Pro Tunc). The Commission unanimously approved the Order Nunc Pro Tunc.
2. GUD No. 9711: Application of Kinder Morgan Texas Pipeline, L.P. Pursuant to §311 of the Natural Gas Policy Act for Review of the Reasonableness of Storage Rates. The Commission unanimously approved the application.
3. GUD No. 9716: Statement of Intent Filed by CenterPoint Energy Entex, a Division of CenterPoint Energy Resources Corp., to Change Rates in the Unincorporated Areas of the Texas Coast Division. The Commission unanimously approved this item.

SURFACE MINING AND RECLAMATION

4. Docket No. C6-0008-SC-00-A: Application by TXU Mining Company LP for New Surface Coal Mining and Reclamation Permit for the Proposed Kosse Mine, Limestone and Robertson Counties, Texas. The Commission unanimously approved the application.
5. Docket No. C7-0016-SC-00-D (Item contingent upon approval of application in Docket No. C6-0008-SC-00-A); Application for Acceptance of Reclamation Performance Bond (Collateral Bond with Letter of Credit) for the Proposed Kosse Mine, Limestone and Robertson Counties, Texas. The Commission unanimously approved the application.

OIL AND GAS PROTESTED

6. O&G 06-0249174: To consider the application of Goldston Oil Corporation (313990), to inject fluid into a reservoir productive of oil or gas, Deloney Heirs Lease, Well No. 2I, Quitman-Robbins (Rod. - Kirk.) (73919365) Field, Wood County, Texas. The Commission unanimously approved the application.

7. O&G 09-0249782: Chief Operating LLC commercial application for a permit to dispose of oil and gas waste by injection into a porous formation not productive of oil or gas, Casto SWD Lease, Well No. 1, Newark, East (Barnett Shale) (65280200) Field, Denton County, Texas. The Commission unanimously approved the application.

8. O&G 8A-0249456: Invoil, Inc. to consider the application of Invoil, Inc., to inject fluid into a reservoir productive of oil or gas, Van Lease, Well No. 1, Bay (San Andres) Field, Yoakum County, Texas. The Commission unanimously approved the application.

9. 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. This item was deferred for additional review.

10. 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. This item was deferred for additional review.

11. O&G 7B-0249737: N/J Production to consider the complaint of Charles G. Justis, Jr. seeking the voiding of the Form P-5 Organization Report of N/J Production, and the voiding and rescission of all Form P-4 Certificates of Compliance transferring leases and wells to N/J Production, including the oil leases and gas wells in District 7B having the following Railroad Commission lease or ID numbers: 073617, 080421 120864, 122226, 122335, 123504, 124343, 124494, 140689, 00900, 00994, 06522, 11895, 16605, 17350, 19788, 24615, 24983, 25271, 25543, 26551 and 26644, J. S. Lewis (Marble Falls) (45210500) Field, Purvis (Fry) (73499175) Field, Santa Anna (Canyon) (80827300) Field, Coleman County Regular (Gas) (19511456) Field, Brown County Regular (12406001) Field, Coleman County Regular (19511001) Field. The Commission unanimously denied the motion for rehearing.

12. O&G 03-0246035: Sabinal Resources, Inc. enforcement action regarding Stockdick Fee (02410) Lease, Well Nos. 2, 3A, 4, & 5, Humble (43464001) Field, Harris County, Texas. Violation of Rule 14(b)(2). The Commission unanimously approved the enforcement order.

13. O&G 03-0247275: Ind. Resources Operating Co. Inc. enforcement action regarding (423719) operator, Freeway Lease Well No. 1 (0610463) Permit, Brookshire (12306001) Field, Waller County, Texas. Violation of Rules 3(2) and 13(a)(1). This item was withdrawn.

AGREED ENFORCEMENT ORDERS

The Commission unanimously approved the following agreed orders, except for item number 16, which was withdrawn:

14. LP-Gas Docket No. 1887: Manuel's Propane - enforcement action for violation of Pipeline Safety Regulation 49 CFR §173.315(n), at Manuel's Propane, P.O. Box 321, Penitas, Texas.

15. O&G 03-0244984: Momentum Production Corp. enforcement action regarding Stone (06201) Lease, Well No. 06, Hathaway (EY-2B) (39696250) Field, Liberty County, Texas. Violation of Rule 14(b)(2).

16. 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).

17. O&G 7B-0250391: Harding Company enforcement action regarding Mitx Lease Well No. 1H (0612316) Permit, Newark, East (Barnett Shale) (65280200) Field, Tarrant County, Texas. Violation of Rule 8(d)(1).

18. O&G 03-0249803: Atasca Resources, Inc. enforcement action regarding Von Rosenberg (194483) Lease, Well No. 1, Chicken Ranch (Wilcox) (17607500) Field, Fayette County, Texas. Violation of Rules 3(2) and (3); 5(a); and 16(a).

19. O&G 03-0250725: Cobra Oil & Gas Corporation enforcement action regarding Houston Arts Foundation Lease (0523496) Permit, Well No. 1, Wildcat Field, Newton County, Texas. Violation of Rule 8(d)(4)(G)(i)(I).

20. O&G 03-0244977: Lindenmuth & Associates, Inc. enforcement action regarding Buckeye (057730) Lease, Well No. 1, Wilson Creek (Frio 10400) (97863485) Field, Matagorda County, Texas. Violation of Rule 14(b)(2).

OIL AND GAS UNPROTESTED

CONSENT AGENDA

The Commission unanimously approved the following applications:

21. 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, to consider temporary field rules for the proposed field, and to cancel all overproduction in the proposed field, in Angelina County, Texas.

22. O&G 08-0249753: Imperial Gas Resources LLC to consider a net gas-oil ratio for Williamson, Jessie Lease, Well No. 3, Goldsmith, W. (Clear Fork, Up.) (35659125) Field, Ector County, Texas.

MINUTES – APRIL 24, 2007

23. O&G 08-0250637: Forest Oil Corporation to consider consolidation of the Dimmitt (Cherry Canyon), Dimmitt (Delaware) and Dimmit, Northeast (Delaware Sd) Fields into the proposed Dimmitt (Delaware Cons) Field, and to consider field rules for the proposed field, Loving County, Texas.

24. O&G 08-0250694: Cobra Oil & Gas Corporation to consider permanent field rules for the Knott, West (Spraberry) (49945800) Field, Howard and Martin Counties, Texas.

25. O&G 08-0250907: Bepco, L.P. to consider a net gas-oil ratio for J.B. Walton Lease, Well No. 115, Keystone, SW. (San Andres) (49138100) Field, Winkler County, Texas.

26. O&G 08-0250776: To Consider the Application of Twins Oil Co. to supercede the final order issued October 27, 2003, in Oil & Gas Docket No. 08-0232589 requiring the plugging of the Young, Bertha D. (21469) Lease, Well No. 1, Pecos Valley-Young (Queen) (70163800) Field, Pecos County, Texas, enabling the applicant to be come the operator of record.

27. O&G 02-0250321: Acock Operating Limited to consider the application of M. B. Energy. Inc. to supercede the provisions of the final order issued July 22, 2003, in Oil & Gas Docket No. 02-0232953 requiring that the Probst, Dorothy Lease, Well No. 1C (RRC No. 06693), Ray Point, SW. (Slick-Wilcox) Field, and the Probst Dorothy (05245) Lease, Well No. 1T, Ray Point, SW. (Wilcox) Field, Live Oak County, Texas, be plugged; and that the final order issued July 22, 2003, in Oil & Gas Docket No. 02-0232943, requiring that the Probst, Dorothy (05167) Lease Well No. 1D, Ray Point, SW. (Wilcox) Field, Live Oak County, Texas, be plugged, and to consider whether these wells should be transferred from Wooldridge Oil & Gas to Acock Operating Limited.

MASTER DEFAULT ORDERS

The Commission unanimously approved the following default orders:

28. O&G 01-0250452: Park Avenue Resources, Inc. enforcement action regarding Dominguez Oil Unit (11527) Lease, Well No. 01, Crown, E. (Navarro) (22011500) Field, Atascosa County, Texas. Violation of Rules 14(b)(2) and 3(1).

29. O&G 08-0249505: Wilbanks, Bruce A. Company enforcement action regarding Rixie (26123) Lease, Well No. 2, T. C. I. (Grayburg Zone) (87889284) Field, Bundy (051657) Lease, Well No. 1, J. K. S. (Tubb) (45048750) Field. Violation of Rules 14(b)(2) and 14(b)(3).

30. O&G 08-0250764: Elliott, O. G. Corporation enforcement action regarding Leck, J. B. (15795) Lease, Well No. 02, Scarborough (81392001) Field, Winkler County, Texas. Violation of Rules 8(d)(1) and 8(d)(2).

MINUTES – APRIL 24, 2007

31. O&G 7B-0246849: Nick Oil enforcement action regarding Baptist Foundation of Texas (16133) Lease, Well Nos. 1, 1A, 2, 5, 6, 7, 8, 9, 11 & 12, MacGregor "B" (17158) Lease, Well Nos. 2, 2A, 5, & 7, Morrell (Bluff Creek) (62963200) Field, Jones County, Texas. Violation of Rules 14(b)(2); 13(b)(1)(B); 21(j); 8(d)(4)(G)(i)(3); 8(d)(1); and 46(g)(2).

32. O&G 7B-0249436: Oil & Gas Field Services LLC enforcement action regarding Gary, S.E. Lease, Well No. 301 (0555693) Permit, Erath County Regular (29231001) Field, Erath County, Texas. Violation of Rules 8(d)(1); 16(a); 21(j); and 8(d)(4)(G)(i)(I).

33. 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) and 14(b)(3); 3(2).

ADMINISTRATIVE MATTERS

EXECUTIVE OFFICE

34. 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.

AFRED

35. Authority to continue to require registration at least two business days in advance for qualifying examinations administered outside Austin. This item was unanimously approved.

36. Forklift Initiative Contract Amendment: Authorization to request Amendment No. 4 to Texas Commission on Environmental Quality Grant Contract No. 582-4-65615-0061. This item was withdrawn.

OIL AND GAS DIVISION

37. Approval of Staff's recommendation to award a state-funded plugging contract in the amount of \$507,593.00 to ALD Services, Inc. to plug 32 wells in District 3-Houston. This item was unanimously approved.

38. Authorization of contingent award for environmental remediation services contract to decommission and remediate the D & G Operating Company, Inc. Evans Unit (05775) Lease, Well No. 1. Winnie, N. (Sullivan) Field, Chambers County, Texas; Requisition No. 455-7-0853. This item was unanimously approved.

COMMISSIONERS

Commissioner Carrillo

39. Discussion and possible action regarding temporary field rules for Toyah, NW (Shale) Field, Reeves County, Texas. The Commission deferred this item for additional review.

PUBLIC INPUT

40. 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 10:05 am.