

**RAILROAD COMMISSION OF TEXAS
FORMAL COMMISSION ACTIONS
JUNE 26, 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 Tuesday, June 26, 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

SURFACE MINING AND RECLAMATION

1. Docket No. C6-0016-SC-33-B: Application by The Sabine Mining Company for Revision No. 25, Q Area Mine Plan Revision including Expansion of Q and S Areas and M Area Mine Plan Revision, Permit No. 33F, South Hallsville No. 1 Mine, Harrison County, Texas. The Commission unanimously approved the application.

OIL AND GAS PROTESTED

2. O&G 01-0249841: Regency FS LP to consider a sour gas pipeline pursuant to Rule 106, Tilden Plant & Gathering System Lease, Pearsall Connection Field, Frio County, Texas. The Commission unanimously approved this item.

3. O&G 03-0248561: K-3 Resources, LP to consider the application of K-3 Resources, LP for a commercial permit application to inject fluid into a reservoir productive of oil or gas, Richers, E. Lease, Well No. 1, Hamman (38524001) Field, Matagorda County, Texas. The Commission unanimously approved the application with a revision to the order.

4. O&G 09-0249380: EOG Resources, Inc. to consider a commercial application for a permit to dispose of oil and gas waste by injection into a porous formation not productive of oil or gas, Bishop SWD Lease, Well No. 1, Newark, East (Barnett Shale) Field, Erath County, Texas. The Commission unanimously approved this item.

5. 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 a revised interim order.

MINUTES – JUNE 26, 2007

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). The Commission unanimously approved the enforcement order.

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/Gaines County, Texas. Violation of Rules 14(b)(2) and 16(b). The Commission unanimously approved the enforcement order.

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). The Commission unanimously approved the enforcement order.

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, and 3, Reinecke, E. (Canyon) (75781500) Field, Borden County, Texas. Violation of Rules 14(b)(2) and (3), 3(1) and (2), 36(d)(1), and 46(j). The Commission unanimously approved the enforcement order.

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) and (3) and 3(1) and (2). The Commission unanimously approved the enforcement order.

11. O&G 01-0248985: Williamson, Margie B. enforcement action regarding Williamson, Margie B. Well No. 1 (0535366) Permit, Big Foot (07850001)/ Wildcat Field, Frio County, Texas. Violation of Rules 14(b)(2) and 16(b). The Commission unanimously denied the motion for rehearing.

AGREED ENFORCEMENT ORDERS

The Commission unanimously approved the following agreed orders:

12. LP-Gas Docket No. 1812: Magnolia Rental enforcement action for violation of LP-Gas Safety Rule §9.17(a)(5)(A), at C-Store Plus, 21110 Tomball Pkwy, Houston, Texas.

13. GUD Docket No. 9715: Centerpoint Energy Entex enforcement action for violation of 16 TAC §8.225, in Laredo, Webb County, Texas.

14. O&G 03-0244975: Merritt Operating, Inc. enforcement action regarding Keystone Mills (095913) Lease, Well No. 3 W, Conroe S. (Wilcox 8040) (20216225) Field, Montgomery County, Texas. Violation of Rule 14(b)(2).

15. O&G 09-0249791: Morgan, C. V. Partnership enforcement action regarding Abercrombie, C. L. (00541) Lease, Well No. 19, Archer County Regular (03446001) Field, Archer County, Texas. Violation of Rules 8(d)(1) and 3(2).

MINUTES – JUNE 26, 2007

16. O&G 09-0245000: Tri "M" Oil & Gas enforcement action regarding the Ruth, Jeanie (25606) Lease, Well No. 1 D, Archer County Regular (03446001) Field, Ruth, Jeanie (25029) Lease, Well No. 01, Demoss (Strawn) (24208666) Field, Archer County, Texas. Violation of Rules 14(b)(2) and 3(1) and (2).
17. O&G 09-0248089: Carrizo Oil & Gas, Inc. enforcement action regarding Herbert Lease Well No. 1 (0554825) Permit, Newark, East (Barnett Shale) (65280200) Field, Parker County, Texas. Violation of Rules 16(b) and 14(b)(2).
18. O&G 09-0251217: Willis Operating Co. enforcement action regarding the Willis Operating Co. (926594) Operator, Teague, L. J. (061545) Lease, Well No. 1, Jack County Regular (Gas) (45274025) Field, Jack County, Texas. Violation of Rules 14(b)(2) and (3) and 3(1) and (2).
19. O&G 09-0251218: Wolsey Well Service, L.P. enforcement action regarding Richards "472" (146569) Lease, Well No. 2, Wildcat (00022001) Field, Jack County, Texas. Violation of Rules 14(b)(2) and (3) and 3(2).
20. O&G 06-0247493: Express Oil Co. enforcement action regarding Johnson (14300) Lease, Well No. 1, Simms (Mooringsport 4990) (83689600) Field, Bowie County, Texas. Violation of Rules 14(b)(2); 3(1) and (2); and 17(b).
21. O&G 01-0249640: Express Oil Co. enforcement action regarding Reyes Unit 2 Lease, Well No. 2 (0556244) Permit, Wildcat (00002001)/Rocky Creek Field, Dimmit County, Texas. Violation of Rules 14(b)(2) and 16(a).
22. O&G 06-0251672: Express Oil Co. enforcement action regarding Johnson (14300) Lease, Well No. 01, Simms (Mooringsport 4990) (83689600) Field, Bowie County, Texas. Violation of Rule 14(b)(1).
23. O&G 8A-0251520: WTP Energy, Inc. enforcement action regarding Sims-Vessels (65694) Lease, Well No. 01, Spires, W. (Strawn C-1) (85217500) Field, Kent County, Texas. Violation of Rules 14(b)(2) and 46(j).
24. O&G 7B-0249974: D.N.I. enforcement action regarding Isaacks, Amalene (16731) Lease, Well Nos. 1 & 2, J. S. Lewis (Marble Falls) (45210500) Field, Brown County, Texas. Violation of Rule 73(i).
25. O&G 04-0249971: Omega Energy Corp. enforcement action regarding Fulton Beach /C Sand/ Unit (06326) Lease, Well Nos. 4 & 9, Fulton Beach (C-1-2-3 Sand) (33297660) Field, Aransas County, Texas. Violation of Rule 73(i).
26. O&G 09-0251594: Endeavor Energy Resources L.P. enforcement action regarding (251726) Operator, Seven S Lease Well No. 2 (0560935) Permit, Newark, East (Barnett Shale) (65280200) Field, Ellis County, Texas. Violation of Rule 16(b).
27. O&G 05-0251674: Endeavor Energy Resources L.P. enforcement action regarding (251726) Operator, Seven S Ranch Lease Well No. 3H (0602518) Permit, Newark, East (Barnett Shale) (65280200) Field, Ellis County, Texas. Violation of Rule 16(b).

28. O&G 09-0248936: Craig, Carl enforcement action regarding Logan -A- (10375) Lease, Well Nos. 3, 8, 9 & Tank Battery, Archer County Regular (03446001) Field, Archer County, Texas. Violation of Tex. Nat. Res. Code. Ann. §1.143.

OIL AND GAS UNPROTESTED

CONSENT AGENDA

The Commission unanimously approved the following applications:

29. O&G 02-0251770: Petrohawk Operating Company to consider a blanket Rule 10 exception for the Heard Ranch (Frio V), Heard Ranch (Frio Z), Heard Ranch (2900), and Heard Ranch (4000) Fields; and to adopt field rules for all fields, Bee County, Texas.

30. O&G 02-0251771: Petrohawk Operating Company to consider a blanket Rule 10 exception for the Heard Ranch (3170), Heard Ranch (3300), Heard Ranch (3500), Heard Ranch (3550), Heard Ranch (3650), Heard Ranch (3700), Heard Ranch (3860), Heard Ranch (3875), Heard Ranch (3890), Heard Ranch (3900), Heard Ranch (4050), Heard Ranch (4150), Heard Ranch (4200), Heard Ranch (4225), Heard Ranch (4300), Heard Ranch (4330), Heard Ranch (4400), Heard Ranch (4500), Heard Ranch (4600), Heard Ranch (4750), and Heard Ranch (4800) Fields; and to adopt field rules for all fields, Bee County, Texas.

31. O&G 06-0251567: Southwestern Energy Prod. Co. for approval of non-contiguous proration units or, alternatively, for consideration as an entity for density; or, alternatively, for exceptions to Statewide Rule 38 for Certain Wells, Allred Gas Unit, Overton (Cotton Valley Sand) Field, Smith County, Texas.

32. O&G 06-0251568: Southwestern Energy Prod. Co. for approval of non-contiguous proration units; or, alternatively, for consideration as an entity for density; or, alternatively, for exceptions to Statewide Rule 38 for certain wells, J.F. Ware Unit, Overton (Cotton Valley Sand) Field, Smith County, Texas.

33. O&G 06-0251942: Southwestern Energy Prod. Co. for approval of sub-standard proration units for wells on its Kickapoo Creek Unit 1; or, in the alternative, for consideration of its Kickapoo Creek Unit 1 as an "Entity for Density"; or, in the further alternative, for an exception to SWR 38 for certain wells on the Kickapoo Creek Unit 1, Overton (Cotton Valley Sand) Field, Smith County, Texas.

34. O&G 08-0251519: NEG Operating LLC to consider an MER for the Parker Minerals Ltd. Lease, Well Nos. 1101 and 1102, Goldsmith (Clear Fork) Field, Ector County, Texas.

35. O&G 08-0251625: Sandridge Energy, Inc. to consolidate the Algerita (Ouachita Caballos), Bitterweed, Bitterweed, S. (Caballos), Elsinore (Caballos), Ocotillo (Caballos), Pinon (Caballos), Rio Caballos (Caballos), Sabino (Caballos), and Verbena (Tesnus) Fields into the Pinon (Overthrust) Field, and to establish permanent field rules and a correlative interval for the field, Pecos County, Texas.

MINUTES – JUNE 26, 2007

36. O&G 10-0250605: EOG Resources, Inc. to consider a net gas-oil ratio for Martin 800 (07711) Lease, Mammoth Creek, North (Cleveland) (57021250) Field, Lipscomb County, Texas.

37. O&G 10-0251624: Valence Operating Company to amend the permanent field rules for the Ruler (Morrow Upper) Field, Roberts County, Texas.

38. O&G 02-0248895: Enduring Resources, LLC to consider standing; and, if standing is granted, to amend the permanent field rules and adopt special horizontal field rules, Speary (Edwards) Field, Karnes County, Texas.

39. O&G 0251646: C. W. Resources, Inc. to consider an exception to SWR 37 for the Stephens GU, Well No. 2H, Overton (Cotton Valley Sand) Field, Smith County, Texas.

40. O&G 04-0251357: Comstock Oil & Gas, LP to Determine Under Statewide Rule 11(c)(1)(A) that the Proposed Completion Location of the Showlin-Vehle Lease, Well No. 2, Las Hermanitas (House Sand) Field, Duval County, Texas is Reasonable as Drilled Under its Existing Permit (Permit No. 630118).

41. O&G 02-0251653: Newfield Exploration Company for the recommendation of a tight gas formation for the Wilcox Formation Provident City (Wilcox 11,900) (73293520) Field, Lavaca County, Texas.

42. O&G 01-0251376: Blackbrush O & G, Inc. for the recommendation of a tight gas formation for the Edwards Formation Tilden, S. (Edwards Lime 11,500) (89960250) Field, McMullen County, Texas.

43. O&G 02-0251202: Hughes, Dan A. Company, L.P. for the recommendation of a tight gas formation for the Wilcox Formation Rudman (Cannan Sd. 9720) (78837020) Field, Bee County, Texas.

44. O&G 03-0252293: Ergon Energy Partners, L.P. for the recommendation of a tight gas formation for the Austin Chalk Formation Brookeland (Austin Chalk, 8800) (12193500) Field, Tyler County, Texas.

MASTER DEFAULT ORDERS

The Commission unanimously approved the following default orders:

45. O&G 01-0250793: Thalmann, David Vac Service Inc. enforcement action regarding (851060) Operator, Williams, L.P. (05180) Lease, Well No. 01, Carrizo, North (Austin Chalk) (15908500) Field, Dimmit County, Texas. Violation of Rules 14(b)(2) and 3(2).

46. O&G 03-0248088: Tres Operating Co., LLC enforcement action regarding Ullrich, Elroy F. Lease, Well 1 (0609880) Permit, Wildcat (00006001) Field, Washington County, Texas. Violation of Rules 8(d)(1) and 13(b)(1)(8).

47. O&G 09-0251234: Baja Production enforcement action regarding Shawver, Andy (095731) Lease, Well No. 1, Shawver (Strawn 2600) (82808600) Field, Jack County, Texas. Violation of Rules 14(b)(2) and 14(b)(3).

MINUTES – JUNE 26, 2007

48. O&G 7B-0244920: IPACT enforcement action regarding Day (25740) Lease, Well Nos. 1, 2, 3, 5, 6, 7 & 8, Brown County Regular (12406001) Field, Brown County, Texas. Violation of Rules 14(b)(2); 3(1) and (2); and 8(d)(1).

ADMINISTRATIVE MATTERS

AFRED

49. Fiscal 2008 Consumer Rebate Program. Consideration of the AFRED Advisory Committee's recommendations for changes to consumer rebate amounts and eligibility requirements starting September 1, 2007. The Commission unanimously approved this item.

SURFACE MINING AND RECLAMATION DIVISION

50. Presentation of the Year 2007 Texas Reclamation Award to the Sabine Mining Company, South Hallsville No. 1 Mine. The Commission unanimously approved the award and presented it to the company representatives.

OIL AND GAS DIVISION

51. Presentation of Fiscal Year 2007 Third Quarter Oil Field Cleanup Well Plugging and Site Remediation Performance Report. The Commission unanimously accepted the third quarter report.

OFFICE OF GENERAL COUNSEL

52. Federal Energy Regulatory Commission Notice of Proposed Rulemaking: Docket Nos. RM07-10-000 and AD06-11-000. The Commission unanimously approved staff to file comments on behalf of the Railroad Commission regarding these dockets.

PUBLIC INPUT

53. 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 10:22 am.