

**RAILROAD COMMISSION OF TEXAS
FORMAL COMMISSION ACTIONS
DECEMBER 4, 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, December 4, 2007, commencing at 9:30 a.m. Chairman Michael L. Williams and Commissioners Victor G. Carrillo and Elizabeth A. Jones were present. Chairman Williams presided.

OFFICE OF GENERAL COUNSEL – HEARINGS SECTION

GAS SERVICES UNPROTESTED

1. GUD No. 9740: Application of Atmos Energy Corp., West Texas Division, for Test Year 2006 annual interim rate adjustment for the environs areas of the cities in the West Texas Rate Division. This item was pulled at the request of the applicant.

OIL AND GAS PROTESTED

2. O&G 09-0249222: Wolsey Well Service, L.P. to consider the complaint of Wolsey Well Service, L.P. and J&C Operating Company against Star of Texas Srvs, Inc. regarding the Rsk-Star Leased, Well Nos. 5 and 6, Newark, East (Barnett Shale) (65280200) Field, Wise County, Texas. On motion of Commissioner Carrillo, the Commission unanimously dismissed the complaint. A new order dismissing the complaint was prepared and presented for signatures before the end of the meeting.

3. O&G Docket No. 05-0250329: Application of Willowbend Investments, Inc., for a Rule 38 exception to drill the McKee's Port Unit, Well No. 1D, Newark, East (Caddo Lime) and Newark, East (Barnett Shale) Fields, Tarrant County, Texas. The Commission unanimously approved the application.

4. O&G 03-0239316: Comet Production enforcement action regarding Forbes, E. E. (07379) Lease, Well Nos.1, & 2 Mykawa New (64185001) Field, Nance, M.P. (16730) Lease, Well No. 01, Madisonville, NE (Georgetown) (56593550) Field, Harris County, Texas. Violation of Rule 14(b)(2). The Commission unanimously approved the enforcement order.

5. O&G 01-0248501: JPW Energy, L.L.C. enforcement action regarding Sarah E. Ferry Unit-block 13 (13992) Lease, Well No. 03, Pleasanton (Edwards Lime 8100) (71922664) Field, Atascosa County, Texas. Violation of Rules 14(b)(2); 46(j). Commissioner Carrillo made a motion to reduce the penalty amount. The motion died for lack of a second. Chairman Williams and Commissioner Jones voted to approve the enforcement order as presented. Commissioner Carrillo abstained.

AGREED ENFORCEMENT ORDERS

The Commission unanimously approved the following agreed orders:

6. O&G 8A-0243757: Johnson Sanford Op Co., Ltd. enforcement action regarding Wallace (67729) Lease, Well Nos.4801 and 4802 Jons (Strawn) (47237375) Field, Kent County, Texas. Violation of Rules 14(b)(2); 3(2) and (3); 8(d)(1); 13(b)(1)(B).

7. O&G 09-0244190: UHC Petroleum Corporation enforcement action regarding Mauney, M. E. (054111) Lease, Well No.1, Boling (4800) Field (10240500) Field, Jack County, Texas. Violation of Rules 14(b)(2); 3(2) and (3).

8. O&G 04-0253292: Wallis Energy, Inc. enforcement action regarding Sims Lease, Well No. 11 (0626752) Permit, Sinton, West (Shallow) (83760165) Field, San Patricio County, Texas. Violation of Rules 8(d)(1); 16(b); 3(1), (2), and (3).

9. O&G 02-0253846: Wallis Energy, Inc. enforcement action regarding Box, B.A. (06434) Lease, Well No. 1, Norbee, S.E. (Hockley) (65921500) Field, Bee County, Texas. Violation of Rules 14(b)(2) and (3).

10. O&G 05-0253287: Kraker & Martin Energy, L.L.C. enforcement action regarding (476552) Operator, Stephens Lease, Well No. 1 (0619665) Permit, Wildcat (00010001) Field, Van Zandt County, Texas. Violation of Rule 8(d)(1).

11. O&G 05-0253298: Salty's Management, L.L.C. enforcement action regarding Lease, Salty's Hill County SWD Well No.1 (0634124) Permit, Newark, East (Barnett Shale) (65280200) Field, Hill County, Texas. Violation of Rule 8(d)(1).

12. O&G 03-0248090: Italian-American Oil Co., Inc. enforcement action regarding (426984) Operator, Cowan-Zollman (128276) Lease, Well No.106, Carlton Speed (Yegua 4600) (15717666) Field, Grimes County, Texas. Violation of Rules 8(d)(1); 13(b)(1)(C); 14(b)(2); 20.

13. O&G 02-0252386: Modern Exploration, Inc. enforcement action regarding Delilah (178221) Lease, Well No.1, Limes (Wilcox 9500) (53590550) Field, Live Oak County, Texas. Violation of Rules 8(d)(1); 17(b); 22(b)(1).

14. O&G 09-0252455: Guidance Oil Developers enforcement action regarding Kunkel, W. L. (00216) Lease, Archer County Regular (03446001) Field, Archer County, Texas. Violation of Rule 8(d)(1).

15. O&G 09-0250654: Wise Production Company enforcement action regarding Hill, Lue A. "C" (29681) Lease, Well No.402, Richardson-Mueller (Caddo) (76483333) Field, Montague County, Texas. Violation of Rules 14(b)(2) and (3); 3(2).

OIL AND GAS UNPROTESTED

CONSENT AGENDA

The Commission unanimously approved the following applications:

16. O&G 05-0254101: Application of O’Ryan Oil and Gas to amend the field rules for the John W. (Smackover) Field, Henderson County, Texas.

17. O&G 05-0254100: Lacy Operations, Ltd. to consider permanent field rules for the Mann, North (Cotton Valley Sd.) Field, Freestone County, Texas.

18. O&G 06-0252287: Samson Lone Star LP for permanent gas well classification, Stacy Gas Unit No. 1 Lease, Well No. 3 (Id No. 226798), Waskom (Cotton Valley) Field, Harrison County, Texas.

19. O&G 8A-0253692: Apache Corporation for approval of a unitization agreement pursuant to Texas Natural Resources Code, Chapter 101, for the Proposed Von Roeder West Unit, Von Roeder, W. (Clear Fork) Field, Borden County, Texas.

20. O&G 03-0253659: Golden Triangle Storage Inc. to create, operate and maintain an underground gas storage facility, Golden Triangle Storage Lease, Spindletop Field, Jefferson County, Texas

21. O&G 08-0254338: XTO Energy Inc to establish an entity for density for the Goldsmith San Andres Unit Lease (02020), Goldsmith Field (3652 001), Ector County, Texas.

22. O&G 7B-0254326: Cholla Petroleum, Inc. for the recommendation of a tight gas formation for the Conglomerate Formation, Possum Kingdom (Congl.) Field, Palo Pinto County, Texas.

23. O&G 7B-0254327: Cholla Petroleum, Inc. for the recommendation of a tight gas formation for the Conglomerate Formation, B.R.A. (Congl.) Field, Palo Pinto County, Texas.

24. O&G 02-0254335: Newfield Exploration Company for the recommendation of a tight gas formation for the Provident City cWc Series Sand Formation, Provident City (Wilcox 10,800), Provident City (Wilcox 11,500), Provident City (Wilcox 12,000), Provident City (Wilcox 13,000), Field, Lavaca County, Texas.

25. O&G 04-0254333: Suemaur Expl. & Prod. LLC for the recommendation of a tight gas formation for the Vicksburg Formation, Brayton, N. (Vicksburg 9250) Field, Nueces County, Texas.

26. O&G 04-0254334: Suemaur Expl. & Prod. LLC for the recommendation of a tight gas formation for the Vicksburg Formation, Brayton, N. (Vicksburg 9900) Field, Nueces County, Texas.

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27. O&G 7C-0254336: Sandridge Energy Inc for the recommendation of a tight gas formation for the Wolfcamp Formation, Brown-Bassett (Wolfcamp) Field, Terrell County, Texas.

28. O&G 7C-0254337: Sandridge Energy Inc for the recommendation of a tight gas formation for the Wolfcamp Formation, Brown-Bassett (Wolfcamp) Field, Terrell County, Texas.

PUBLIC INPUT

29. 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 10:09 am.