

**RAILROAD COMMISSION OF TEXAS  
FORMAL COMMISSION ACTIONS  
NOVEMBER 20, 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, November 20, 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.

**OIL AND GAS PROTESTED**

2. O&G 01-0252639: Regency F.S. LP to consider a sour gas pipeline pursuant to Rule 106, Fashing to Delta Extension, Tilden Field Area, Atascosa and McMullen Counties, Texas. The Commission unanimously approved this item.

3. O&G 04-0253430: Encinal Gathering, Ltd. to consider a sour gas pipeline pursuant to Rule 106, Webb County Gathering Line, Olmos Field Area, Webb County, Texas. The Commission unanimously approved this item.

4. O&G 03-0251480: Sterling Expl. & Prod. Co., LLC enforcement action regarding (819006) Operator, State Tract 194 (109886) Lease, Well No.5, Matagorda Bay, NE (Miocene 1400) (58196315) Field, Matagorda County, Texas. Violation of Rules 14(b)(2) and (3). The Commission unanimously denied the motion for rehearing.

5. O&G 09-0250655: Sanco Operating Company enforcement action regarding Ferguson, L. A. (086220) Lease, Well No. 1351, Bartons Chapel, S (Congl. 4850) (05974300) Field, Jack County, Texas. Violation of Rule 14(b)(3). The Commission unanimously denied the motion for rehearing.

**AGREED ENFORCEMENT ORDERS**

The Commission unanimously approved the following agreed orders:

6. O&G 05-0253300: Reserve Operating Corp. enforcement action regarding Legg, Ed. (01668) Lease, Well Nos. 8, & 9, Gossett, H., SE./Pal/ O.U. No. 1 (01732) Lease, Well No. 1u, Ham Gossett, Southeast (Paluxy) (38405500) Field, Anderson County, Texas. Violation of Rule 73(i).

7. O&G 05-0253301: Reserve Operating Corp. enforcement action regarding Hardy, Sarah Estate (03016) Lease, Well No. 01, Ham Gossett (Lewisville) (38399385) Field, Ham Gossett, SE. /Rod./ O.U.1 (01675) Lease, Well No. 1, Ham Gossett, Southeast (Rodessa) (38405750) Field, Anderson County, Texas. Violation of Rule 73(i).

8. O&G 03-0244197: JDA Energy, LLC enforcement action regarding Guthrie, James Q. (20630) Lease, Well No. 05, Wildcat (00006001) Field, Lee County, Texas. Violation of Rule 14(b)(2).

9. O&G 05-0253350: XTO Energy Inc. enforcement action regarding McKenzie "B" Gas Unit Well No. 1 (0628811) Permit, Farrar (Travis Peak) (30321500) Field, Tyler County, Texas. Violation of Rule 8(d)(5)(B)(i).

10. O&G 06-0253392: Woodbine Production Corporation enforcement action regarding (937875) Operator, H. Briggs Unit Lease, Well No. 1 (0601931) Permit, Carthage (Cotton Valley) (16032174) Field, Panola County, Texas. Violation of Rules 14(b)(2); 16(b).

11. O&G 01-0253149: Blue Star Operating Company enforcement action regarding Blue Star-Liberty 35 LSE. No. 1H (0614845) Permit, Wildcat (00002001) Field, Maverick County, Texas. Violation of Rules 14(b)(2); 16(b); 8(d)(4)(G)(i)(I).

12. O&G 01-0250600: Last Run, LLC enforcement action regarding Jeff Moore -B- (14436) Lease, Dale-McBride (22820001) Field, Caldwell County, Texas. Violation of Rules 8(d)(1) and (2).

13. O&G 7C-0252771: Penergy enforcement action regarding El Tex (02065) Lease, Well No. 03, Vaughn (93264001) Field, Crockett County, Texas. Violation of Rules 14(b)(2); 46(j).

**OIL AND GAS UNPROTESTED**

**CONSENT AGENDA**

The Commission unanimously approved the following applications:

14. O&G 04-0253475: Devon Energy Production Co, L.P. to consider a new field designation for the proposed Las Hermanitas (Wx Consolidated) Field, consolidation of the Prospero (2nd Hinnant) Field into the new field, and for temporary field rules for the proposed field, Duval County, Texas.

15. O&G 06-0253691: Noble Energy Inc to amend the permanent field rules for the Oliver Creek (Travis Peak) Field, Shelby County, Texas.

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16. O&G 06-0253740: EOG Resources, Inc. for blanket Rule 10 exception authority for all wells to be commingled in the Carthage (Cotton Valley) and Carthage (Travis Peak) Fields; or, in the alternative, for blanket Rule 10 authority for wells operated by applicant to be commingled in those two fields on any of its leases or pooled units, Panola, Harrison, and Shelby Counties, Texas.
17. O&G 06-0253746: KCS Resources, Inc. to consider blanket Rule 10 exception authority for the Carthage (Cotton Valley) and Joaquin (Travis Peak) Fields, Harrison, Leon, Panola, and Shelby Counties, Texas.
18. O&G 06-0253747: XTO Energy Inc. to amend the permanent field rules for the Carthage (Blossom) Field, Panola County, Texas.
19. O&G 06-0253914: Goodrich Petroleum Company to amend the permanent field rules for the Henderson, E. (Cotton Valley) Field, Rusk County, Texas.
20. O&G 7C-0252993: Southwest Royalties, Inc. to consider an MER for the McElroy Ranch Lease, Well No. 3, Spraberry (Trend Area) Field, Upton County, Texas.
21. O&G 8A-0253476: Forest Oil Corporation to consider an MER for the Caton Lease, Well Nos. 4 and 5, Tex-Mex (Wichita Albany) Field, Gaines County, Texas.
22. O&G 08-0253661: Cimarex Energy Co. to amend the field rules for the Phantom (Wolfcamp) Field, Ward County, Texas.
23. O&G 06-0253477: Petrohawk Operating Co., to amend the permanent field rules for the Tenaha (Jurassic) Field, Shelby County, Texas.
24. O&G 09-0253660: HEP Oil Company Ltd. to consider unitization and secondary recovery authority for the Ruth Peek 'A' Caddo Waterflood Unit, Lost Valley (Caddo) Field, Jack County, Texas.
25. O&G 08-0254176: Boyd & McWilliams Energy Group for authority pursuant to Statewide Rule 50 to approve or certify an EOR project for the Carter Clearfork Unit (37133) Lease, Breedlove "B" (Clearfork) (11762200) Field, Martin County, Texas.
26. O&G 08-0254244: Occidental Permian Ltd. for authority pursuant to Statewide Rule 50 to approve or certify an EOR project for the Midland Farms Unit (15874) Lease, Midland Farms (61118001) Field, Andrews County, Texas.
27. O&G 8A-0254175: Merit Energy Company for authority pursuant to Statewide Rule 50 to approve or certify an EOR project for the Muldrow Unit (68725) Lease, Prentice, Nw. (San Andres) (72999500) Field, Terry County, Texas.
28. O&G 8A-0254245: Occidental Permian Ltd. for authority pursuant to Statewide Rule 50 to approve or certify an EOR project for the Wasson ODC Unit (60000) Lease, Wasson (95397001) Field, Yoakum County, Texas.

**MASTER DEFAULT ORDERS**

The Commission unanimously approved the following default orders:

29. GUD 9714: Sterling Exploration & Production Company, LLC (819006) for violations of Commission Pipeline Safety Rules in Matagorda County, Texas.

30. O&G 02-0250601: GEC Operating, Inc. enforcement action regarding Bego # 1 (146089) Lease, Well No. 1, Terrell Point (3915) (88880384) Field, Goliad County, Texas. Violation of Rules 3(2); 8(d)(1).

31. O&G 02-0252219: Red Fork Production, LLC enforcement action regarding Technik, A. L. -A- (05614) Lease, Well No. 1A, Valentine (Wilcox 9060) (92933400) Field, Lavaca County, Texas. Violation of Rules 14(b)(2) and (3); 3(1) and (2).

32. O&G 02-0252388: Tejas Operating LLC enforcement action regarding Matthew-Kuester (00676) Lease, Well Nos. 6, 9, 10 & Tank Battery, Helen Gohlke, (Wilcox) (40231264) Field, La Salle County, Texas. Violation of Rules 8(d)(1); 3(1), (2), and (3).

33. O&G 09-0251477: Grand Energy Corp. enforcement action regarding Denton (21209) Lease, Well No. 01, Ajax (Tannehill) (00933500) Field, Knox County, Texas. Violation of Rules 14(b)(2) and (3); 3(3); 21(j).

34. O&G 10-0252531: Losure Pet. Co. enforcement action regarding Smith, Dale (00887) Lease, Well No. 06, Four Sixes (02113) Lease, Well No. 1W, Panhandle Hutchinson County Fld. (68887001) Field, Hutchinson County, Texas. Violation of Rules 14(b)(2); 46(g)(2) and (j).

**OFFICE OF GENERAL COUNSEL-RULES**

35. New rules in 16 Tex. Admin. Code Chapter 8, relating to increasing the frequency of leak inspections; standardizing leak grading and repair deadlines; and mandating removal and replacement of certain compression couplings on natural gas distribution systems; GUD No. 9766. The Commission voted to make certain non-substantive changes and unanimously approved publishing the rule for a 60-day public comment period.

**PUBLIC INPUT**

36. 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 10:03 am.