

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL**

**OIL AND GAS DOCKET
NO. 05-0222338**

**IN THE VAN (RODESSA) FIELD, VAN
ZANDT COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF
UNION OIL COMPANY OF CALIFORNIA
FOR UNITIZATION AND SECONDARY RECOVERY
FOR THE SOUTH VAN RODESSA/UPPER CARLISLE UNIT
AND FOR EXCEPTIONS TO STATEWIDE RULE 10
FOR WELLS IN THE SOUTH VAN RODESSA/UPPER CARLISLE UNIT
VAN (RODESSA) AND VAN (UPPER CARLILE) FIELDS
VAN ZANDT COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket, on the application of Union Oil Company of California, heard on September 24, 1999, the presiding examiners have made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; that the proposed application is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Railroad Commission of Texas at conference held in its offices in Austin, Texas.

The Commission, after review and due consideration of the examiners' report and recommendation, the findings of fact and conclusions of law contained therein, hereby adopts as its own the findings of fact and conclusions of law contained therein, and incorporates said findings of fact and conclusions of law as if fully set out and separately stated herein.

THEREFOR is **ORDERED** by the Railroad Commission of Texas that the application of Union Oil Company of California for exception to Statewide Rule 10 for wells in its South Van Rodessa/Upper Carlisle Unit in the Van (Rodessa) Field and the Van (Upper Carlile) Field, Van Zandt County, Texas, be and it is hereby approved, without further administrative action. Such commingled production as is produced from wells in the South Van Rodessa/Upper Carlisle Unit shall be assigned to the Van (Rodessa) Field for proration purposes.

It is further **ORDERED** by the Railroad Commission of Texas that the South Van Rodessa/Upper Carlisle Unit, Van (Rodessa) Field, Van Zandt County, Texas, as shown by plat submitted, be and is hereby approved as a Unit for secondary recovery purposes in the Van (Rodessa) Field, subject to the following terms and conditions:

1. The Railroad Commission of Texas retains all powers and duties with regard to conservation of oil and gas in this field, and no proration order of the Commission will be promulgated pursuant to the terms of the unit agreement; and the allocation formula for the wells included in the agreement shall remain and continue in full force and effect as if the agreement had not been approved.
2. The proration units as established for the individual wells within the unitized area

prior to the approval of the unitization agreement are hereby adopted, approved, and continued in effect for allowable allocation purposes for such wells unless the unit operator elects to revise the proration units.

3. For proration purposes, the unitized area will be considered a single tract.
4. The unit operator shall file with the Railroad Commission, in addition to the production report for the unit, a supplemental production report for each individual tract that is committed to the unit where any non-unitized interest exists, showing all things pertinent so that the owner of such non-unitized interest may have access to public records showing the status of his interest. The Supplemental Production Reports will document oil and gas production volumes determined by the method set out in the adopted findings of fact. Any deviation from this method must be submitted to the Director of the Oil and Gas Division or his delegate for approval, with notice to the non-unitized interest owner.
5. In order to protect unsigned ownership, when 100% of the royalty and working interest owners in a tract have not joined the unit the operator is not authorized to convert the last producing well on that tract to an injector unless an exception is granted after notice and hearing.
6. All injection authority and each injection well within the unitized area is hereby made subject to the terms and conditions of the Texas Water Code, §27.0511 (Vernon 1988) if fresh water is used.

Further, it is **ORDERED** by the Railroad Commission of Texas that Union Oil Company of California be and is hereby authorized to conduct secondary recovery operations by waterflood on its South Van Rodessa/Upper Carlisle Unit, Van (Rodessa) Field, Van Zandt County, Texas, subject to the following terms and conditions:

1. All injection authority within the unitized area previously granted by the Commission is hereby made subject to the terms and conditions of this order and the Environmental Services Section is hereby authorized to issue amended injection permits in accordance with normal procedure as necessary to reflect the terms and conditions contained in this order or as later directed by the Commission.
2. The operator may expand or modify the proposed injection facilities without additional hearing for Commission approval of such expansion or modification, with respect to secondary recovery authorization, but each injection well remains subject to the filing requirements of Statewide Rule 46 including Commission Form H-1, "Application to Inject Fluid Into a Reservoir Productive of Oil or Gas" for injection wells not previously permitted as such.
3. The unit operator must submit application for injection well permits to the

Environmental Services Section and receive such permits prior to commencing injection pursuant to this order.

Further it is **ORDERED** by the Railroad Commission of Texas that all overproduction for wells in the Union Oil Company of California South Van Rodessa/Upper Carlisle Unit, Van (Rodessa) Field, be and is hereby canceled.

Effective this nineteenth day of October, 1999.

RAILROAD COMMISSION OF TEXAS

Chairman Michael L. Williams

Commissioner Charles R. Matthews

Commissioner Tony Garza

ATTEST:

Secretary

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