

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

**OIL AND GAS DOCKET
NO. 8A-0247251**

**IN THE LEE HARRISON FIELD,
LUBBOCK COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF MERIT ENERGY COMPANY
FOR UNITIZATION AND SECONDARY RECOVERY
FOR THE SIDES UNIT
LEE HARRISON FIELD
LUBBOCK COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket, on the application of Merit Energy Company heard on June 14, 2006, 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.

Therefore, it is ordered by the Railroad Commission of Texas that the Sides Unit in the Lee Harrison Field, Lubbock County, Texas, as shown by plat submitted, be and is hereby approved as a Unit for secondary recovery purposes in the Lee Harrison 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. 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 Merit Energy Company be and is hereby authorized to conduct secondary recovery operations by waterflood on its Sides Unit, Lee

Harrison Field, Lubbock 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.

Done this sixth day of July, 2006.

**RAILROAD COMMISSION OF TEXAS
(Order approved and signatures affixed by
OGC Unprotested Master Order dated July
6, 2006.)**