

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

**OIL AND GAS DOCKET
NO. 09-0252229**

**IN THE NEWARK, EAST (BARNETT
SHALE) FIELD AREA, ERATH COUNTY,
TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF INFINITY OIL & GAS TX, INC.
TO DISPOSE OF OIL AND GAS WASTE BY INJECTION INTO A POROUS
FORMATION NOT PRODUCTIVE OF OIL OR GAS INTO THE
GOLIGHTLY LEASE WELL NO. 1SD
NEWARK, EAST (BARNETT SHALE) FIELD AREA, ERATH COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on August 17, 2007, the presiding examiners have made and filed a report and proposal for decision containing findings of fact and conclusions of law, which was served on all parties of record; 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 proposal for decision, the findings of fact and conclusions of law contained therein, and any exceptions and replies thereto, 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 Infinity Oil & Gas TX, Inc. is hereby authorized to conduct water disposal operations in the Golightly Lease Well No. 1SD, in the Newark, East (Barnett Shale) Field area, Erath County, Texas, subject to the following terms and conditions:

SPECIAL DISPOSAL CONDITIONS:

- 1) That the injection program shall be conducted Hickory and Ellenburger Formations estimated to occur in an interval from approximately 6,500 feet to 7,000 feet.
- 2) That injection volume shall not exceed 10,000 barrels of saltwater per day.
- 3) Fluid injection shall be through tubing set on a packer and the maximum surface injection pressure shall not exceed 3,000 psig.

MONITOR WELLS:

- 1) The monitor wells in the locations as identified and shown on Infinity Oil & Gas TX, Inc. Amended Exhibit No. 9 shall be designated as domestic water wells subject to testing at least 30 days prior to commencing the first day of water disposal into the subject well and shall be tested annually thereafter until the subject disposal well is properly plugged in accordance with Commission Rules and Regulations.

- 2) The monitor wells must be tested for the following parameters:
 - a. Benzene
 - b. Toluene
 - c. Ethylbenzene
 - d. Xylene (BTEX)
 - e. Total Petroleum Hydrocarbons (TPH)
 - f. Chlorides
- 3) An independent laboratory neither owned nor operated by the permittee must conduct any analysis of sampling required by this permit. All fees for testing shall be paid for by Infinity Oil & Gas TX, Inc.
- 4) Copies of all test results shall be supplied to the owners of the domestic water wells, the Middle Trinity Groundwater Conservation District, and the Technical Permitting Section of the Railroad Commission of Texas, within 30 days of said testing.

STANDARD CONDITIONS:

- 1) The District Office must be notified 48 hours prior to:
 - a) running tubing and setting packer
 - b) beginning any workover or remedial operation, and
 - c) conducting any required pressure tests or surveys.
- 2) The wellhead must be equipped with a pressure observation valve on the tubing and for each annulus.
- 3) Prior to beginning injection, and subsequently after any workover, an annulus pressure test must be performed. The test pressure must equal the maximum authorized injection pressure or 500 psig., whichever is less, but must be at least 200 psig. The test must be performed and the results submitted in accordance with the instructions of Form H-5.
- 4) A new Form W-2 showing any remedial work and copies of any surveys must be filed with the District Office within 30 days after completion.
- 5) The injection pressure and injection volume must be monitored at least monthly and reported annually on Form H-10 to the Commission's Austin Office.
- 6) Written notice of the intent to transfer the permit must be submitted to the Director of Underground Injection Control at least 15 days prior to the date the transfer will occur (File Form P-4).
- 7) Provided further that, should it be determined that such injection fluid is not confined to the approved strata, then the permission given herein is suspended and the fluid injection must be stopped until the fluid migration from such strata is eliminated.
- 8) This permit will expire when the Form W-3, Plugging Record, is filed with the Commission.

- 9) Unless otherwise required by conditions of the permit, completion and operation of the wells shall be in accordance with the information represented on the application (Form W-14).
- 10) The project number shall be 12659. Provided further that, should it be determined that such injection fluid is not confined to the approved strata, then the permission given herein is suspended and the fluid injection must be stopped until the fluid migration from such strata is eliminated.

Each exception to the examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

This order will not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to TEX. GOV'T CODE §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law, is hereby extended until 90 days from the date the order is served on the parties.

Done this 28th day of January, 2008.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN MICHAEL L. WILLIAMS

COMMISSIONER VICTOR G. CARRILLO

COMMISSIONER ELIZABETH A. JONES

ATTEST:

Secretary