

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

**OIL AND GAS DOCKET
NO. 03-0246579**

**IN THE MADISONVILLE (WILCOX H2S
DISP) FIELD, MADISON COUNTY,
TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF CRIMSON EXPLORATION INC.
FOR INJECTION OF FLUIDS CONTAINING HYDROGEN SULFIDE
IN ITS ROGERS LEASE WELL NO. 2D
MADISONVILLE (WILCOX H2S DISP) FIELD
MADISON COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on April 13, 2006, the presiding examiner has 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 examiner's 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 Crimson Exploration Inc. be and is hereby authorized to dispose of fluids containing hydrogen sulfide into its Rogers Lease Well No. 2D, as specified in the programs set out in detail in public hearing as provided in Section (C)(10) of Rule 36 of the Commission's Rules and Regulations of Statewide application, Madisonville (Wilcox H2S Disp) Field, Madison County, Texas, subject to the following terms and conditions:

SPECIAL CONDITIONS:

1. Oil and gas waste shall only be injected into strata in the subsurface depth interval from 4720 feet to 5200 feet.
2. The injection volume shall not exceed 4000 barrels of acid gas per day.
3. The maximum operating surface injection pressure shall not exceed 2360 psig.
4. Before injection operations can begin, Crimson Exploration, Inc. must cement across the disposal interval in the Marshall Exploration Rogers Lease, Well No. 1 using H₂S rated cement; and must re-enter and replug the Nucorp Energy Johnston Lease, Well No. 1, using H₂S rated cement across the disposal interval.

STANDARD CONDITIONS:

1. Injection must be through tubing set on a packer. The packer must be set no higher than 100 feet above the top of the permitted interval.
2. The District Office must be notified 48 hours prior to:
 - a. running tubing and setting packer;
 - b. beginning any workover or remedial operation;
 - c. conducting any required pressure tests or surveys.
3. The wellhead must be equipped with a pressure observation valve on the tubing and for each annulus.
4. 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.
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. Within 30 days after completion, conversion to disposal, or any workover which results in a change in well completion, a new Form W-2 or G-1 must be filed in duplicate with the District Office to show the current completion status of the well. The date of the disposal well permit and the permit number must be included on the new Form W-2 or G-1.
7. Written notice of intent to transfer the permit to another operator must be submitted to the Commission at least 15 days prior to the date the transfer will occur by filing Form P-4.
8. This permit will expire when the Form W-3, Plugging Record, is filed with the Commission.
9. Form P-18, Skim Oil Report, must be filed in duplicate with the District Office by the 15th day of the month following the month covered by the report.
10. That the well be identified and operated according to Permit Number_____.
11. Prior to beginning operation, all collecting pits, skimming pits, or washout pits must be permitted under the requirements of Statewide Rule 8.

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 disposal operation must be stopped until the fluid migration from such strata is eliminated. The special permit conditions may be modified after notice and opportunity for hearing to prevent migration of injection fluid from the approved strata.

Done this sixth day of June, 2006.

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