

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET  
NO. 02-0299798**

**IN THE WEST RANCH (41-A & 98-A  
CONS.) FIELD, JACKSON  
COUNTY, TEXAS**

**ORDER NUNC PRO TUNC**

**APPROVING THE APPLICATION OF HILCORP ENERGY COMPANY  
TO CONSIDER UNITIZATION AND TERTIARY RECOVERY AUTHORITY  
FOR THE PROPOSED WEST RANCH (41A/98A CONSOLIDATED) UNIT  
WEST RANCH (41-A & 98-A CONS.) FIELD  
JACKSON COUNTY, TEXAS**

In conference at its office in Austin, Texas, the Railroad Commission of Texas took up for consideration its Final Order entered on June 21, 2016, the matter granting unitization and tertiary recovery authority for Hilcorp Energy Company's West Ranch (41A/98A Consolidated) Unit in the West Ranch (41-A & 98-A Cons.) Field, Jackson County, Texas. The Commission finds that June 21<sup>st</sup> Final Order erroneously misstated the operator's name on the second page of the Final Order. Accordingly, it is **ORDERED** that the June 21<sup>st</sup> Final Order made for Oil and Gas Docket No. 02-0299798 be, and the same is hereby, amended *nunc pro tunc* so that the correct operator's name is portrayed for the West Ranch (41A/98A Consolidated) Unit in the West Ranch (41-A & 98-A Cons.) Field, Jackson County, Texas.

Furthermore, it is **ORDERED** by the Railroad Commission of Texas that the proposed West Ranch (41A/98A Consolidated) Unit, West Ranch (41-A & 98-A Cons.) Field, Jackson County, Texas, as shown by plat submitted, be and is hereby approved as a Unit for tertiary recovery purposes, 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 unit.
3. For proration purposes, the unitized area will be considered a single tract. 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.

4. 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.
5. 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 if fresh water is used.

Further, it is **ORDERED** by the Railroad Commission of Texas that Hilcorp Energy Company is hereby authorized to conduct tertiary recovery operations on the West Ranch (41A/98A Consolidated) Unit, West Ranch (41-A & 98-A Cons.) Field, Jackson 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 Technical Permitting 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 tertiary 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 Technical Permitting Section and receive such permits prior to commencing injection pursuant to this order.

Done this 9<sup>th</sup> day of August, 2016.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
Hearings Divisions' Unprotested Master Order  
dated August 9, 2016)**