

RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET
NO. 6E-0228952

IN THE EAST TEXAS FIELD, RUSK
COUNTY, TEXAS

FINAL ORDER
APPROVING THE APPLICATION OF MISSION RESOURCES CORPORATION
TO INJECT FLUID INTO A RESERVOIR
PRODUCTIVE OF OIL OR GAS
EAST KILGORE UNIT WELL NOS. 47, 51 AND 73
IN THE EAST TEXAS FIELD
RUSK COUNTY, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on September 7, 2001, 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 fully set out and separately stated herein.

Therefore it is **ORDERED** by the Railroad Commission of Texas that Mission Resources Company be and is hereby authorized to conduct water injection operations in the South Kilgore Unit, Well Nos. 47, 51 and 73, East Texas Field, Rusk County, Texas, subject to the following terms and conditions:

SPECIAL CONDITIONS:

1. Injection of up to ONE THOUSAND FIVE HUNDRED (1500) barrels per day of produced saltwater, at a maximum surface pressure of 1000 psig, will be permitted into each of Well Nos. 47, 51 and 73 on the South Kilgore Unit.
2. The permitted injection interval in South Kilgore Unit Well No. 47 is between 3682 and 3690 feet.
3. The permitted injection interval in South Kilgore Unit Well No. 51 is between 3637 and 3689 feet.

4. The permitted injection interval in South Kilgore Unit Well No. 73 is between 3485 and 3630 feet.
5. Prior to beginning injection operations in South Kilgore Unit Well No. 51, the 4-1/2 inch liner will be perforated at 3270 feet. Sufficient cement will be squeezed in a manner to effectively seal the annular space behind the casing to as to prevent migration of injected fluid behind the casing.
6. Prior to beginning injection operations in South Kilgore Unit Well No. 73, the 4-1/2 inch liner will be perforated at 3350 feet. Sufficient cement will be squeezed in a manner to effectively seal the annular space behind the casing to as to prevent migration of injected fluid behind the casing.
7. Annual annulus pressure tests must be performed in South Kilgore Unit Well Nos. 47, 51 and 73, with test pressure equal to the maximum authorized injection pressure of 1000 psig. The tests must be performed and the results submitted in accordance with the instructions of Form H-5.

STANDARD CONDITIONS:

1. Fluid injection must be through tubing set on a packer.
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 fluid injection, 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 injection permit and the project 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 by filing Form P-4 at least 15 days prior to the date the operator plans for the transfer to occur. Permit transfer will not occur until the Form P-4 has been approved by the Commission.
- 8. A well herein authorized cannot be converted to a producing well and have an allowable assigned without filing an amended Form W-1 and receiving Commission approval.

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.

It is further ORDERED by the Commission that this order shall not be final and effective until 20 days after it is actually mailed to the parties by the Commission; provided that if a motion for rehearing of the application is filed by any party at interest within such 20-day period, this order shall not become final 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.

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.



Done this 9th day of April, 2002.

RAILROAD COMMISSION OF TEXAS


 Chairman Michael L. Williams


 Commissioner Charles R. Matthews


 Commissioner Tony Garza

ATTEST


 Secretary

