

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**OIL AND GAS DOCKET
NO. 08-0288702**

**IN THE MIDLAND FARMS FIELD,
ANDREWS COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF OCCIDENTAL PERMIAN, LTD. FOR
AUTHORITY PURSUANT TO STATEWIDE RULES 36 AND 46
FOR THE MIDLAND FARMS UNIT, WELL NOS. 366W, 382A, 392W, & 461W
MIDLAND FARMS FIELD
ANDREWS COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on June 26, 2014, 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 Occidental Permian, Ltd. is hereby authorized to conduct injection operations into the Midland Farms Unit, Well Nos. 366W, 382A, 392W, and 461W, in the Midland Farms Field, Andrews County, Texas, subject to the following terms and conditions:

SPECIAL CONDITIONS:

1. For each well authorized by this permit, the PERMITTED INJECTION WELL TABLE specifies the permitted subsurface injection interval, each permitted injection gas and fluid, the maximum injection volume for each gas and fluid, and the maximum permitted surface injection pressure for each gas and fluid. The PERMITTED INJECTION WELL TABLE is attached hereto and incorporated herein as a part of this permit.
2. An annual annulus pressure test must be performed on each well and the results submitted in accordance with the instructions of Form H-5.

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 annually 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 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 by filing Form P-4 must be submitted to the Commission at least 15 days prior to the date of the transfer.
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.
9. Unless otherwise required by conditions of the permit, completion and operation of the well shall be in accordance with the information represented on the application (Forms H-1 and H-1A).
10. This permit will expire when the Form W-3, Plugging Record, is filed with the Commission. Furthermore, permits issued for wells to be drilled will expire three (3) years from the date of the permit unless drilling operations have commenced.
11. The permit number shall be F-D1488.

Note: Amends permits dated October 31, 2006, December 13, 2006, and March 11, 2008.

Provided further that, should it be determined that such injection fluid is not confined to the approved interval, then the permission given herein is suspended and the disposal operation must be stopped until the fluid migration from such interval is eliminated. Failure to comply with all of the conditions of this permit may result in the operator being referred to enforcement to consider assessment of administrative penalties and/or the cancellation of the permit.

Done this 8th day of April, 2015.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Divisions' Unprotested Master Order dated April 8, 2015)

PERMITTED INJECTION WELL TABLE

Midland Farms Unit (15784)				
WELL NOS.	366W	382A	392W	461W
INJECTION INTERVAL:				
Top (feet)	4,500	4,400	4,500	4,500
Bottom (feet)	5,000	5,100	5,000	5,000
INJECTION FLUID (VOLUME)				
Produced Water ¹ (bbl/day max)	5,000	5,000 ²	5,000	5,000
Fresh Water (Ogallala) (bbl/day max)	100	100	100	100
Fresh Water (Santa Rosa) (bbl/day max)	1,500	1,500	1,500	1,500
MAXIMUM INJECTION PRESSURE (psig) (LIQUIDS ONLY)	2,200	2,200	2,200	2,200
INJECTION GAS (VOLUME)				
H ₂ S, CO ₂ & Natural Gas (mcf/day max)	10,000	10,000	10,000	10,000
MAXIMUM INJECTION PRESSURE (psig) (GAS ONLY)	3,300	3,300	3,300	3,300

¹ Produced water in this permit is composed of salt water and brackish water.

² Includes Surfactant Polymer as fluid type for Well No. 382A only.