

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL & GAS DOCKET NO. 8A-0310710

THE APPLICATION OF STAKEHOLDER GAS SERVICES, LLC (811207) PURSUANT TO SWR 46 AND 36 INJECTION PERMIT FOR A PERMIT TO INJECT FLUID CONTAINING HYDROGEN SULFIDE INTO A RESERVOIR PRODUCTIVE OF OIL OR GAS FOR THE POZO ACIDO VIEJO LEASE, WELL NO. 1, BRONCO (SILURO-DEVONIAN) FIELD, YOAKUM COUNTY, TEXAS

FINAL ORDER

The Commission finds that after statutory notice in the above-numerated docket heard on June 29, 2018, the presiding Technical Examiner and the Administrative Law Judge (collectively the Examiners) have 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 submitted by Stakeholder Gas Services, LLC 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 recommendation, 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 Stakeholder Gas Services, LLC is hereby authorized to dispose of fluids containing hydrogen sulfide into its Pozo Acido Viejo Lease, Well No. 1, Bronco (Siluro-Devonian) Field, Yoakum County, Texas, pursuant to Statewide Rule 36(c)(10)(A).

It is further **ORDERED** by the Railroad Commission of Texas that Stakeholder Gas Services, LLC is hereby authorized to conduct disposal operations in the Pozo Acido Viejo Lease, Well No. 1, Bronco (Siluro-Devonian) Field, Yoakum County, Texas, subject to the following terms and conditions.

SPECIAL CONDITIONS

1. Open hole completions shall have a plug back depth no deeper than the bottom of the permitted injection interval.
2. The operator shall provide to the UIC section an electric log and a mud log of the subject well or a copy of the log submitted with the permitted application with the top(s) and bottom(s) of the permitted formations indicated on the log.

3. Injection shall be no deeper than 100 feet above the estimated base of the Ellenberger thickness at the well location, if known. The top and bottom of the authorized injection interval may be modified based on electric log or mud log indications of the top(s) and bottom(s) of the permitted formations.
4. Waste shall be injected into the strata in the subsurface depth interval from 12,020 feet to 12,349 feet.
5. The injection volume shall not exceed 6,900 Mcf/day.
6. The maximum surface injection pressure shall not exceed 6,010 psig.

STANDARD CONDITIONS:

1. 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 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 (Form W-14).
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 operator shall be responsible for complying with the following requirements so as to assure that discharges of oil and gas waste will not occur:
 - A. Prior to beginning operation, all collecting pits, skimming pits, or washout pits must be permitted under the requirements of Statewide Rule 8.
 - B. Prior to beginning operation, a catch basin constructed of concrete, steel, or fiberglass must be installed to catch oil and gas waste which may spill as a result of connecting and disconnecting hoses or other apparatus while transferring oil and gas waste from tank trucks to the disposal facility.
 - C. Prior to beginning operation, all fabricated waste storage and pretreatment facilities (tanks, separators, or flow lines) shall be constructed of steel, concrete, fiberglass, or other materials approved by the Director or Director's delegate and shall be maintained so as to prevent discharges of oil and gas waste.
 - D. Prior to beginning operation, dikes shall be placed around all waste storage, pretreatment, or disposal facilities. The containment area shall be dewatered within 24 hours by being disposed of in an authorized disposal facility.
 - E. Prior to beginning operation, the facility shall have security to prevent unauthorized access. Access shall be secured by a 24-hour attendant, a fence and locked gate when unattended, or a key-controlled access system. For a facility without a 24-hour attendant, fencing shall be required unless terrain or vegetation prevents truck access except through entrances with lockable gates.
 - F. Prior to beginning operation, each storage tank shall be equipped with a device (visual gauge or alarm) to alert drivers when each tank is within 130 barrels from being full.
12. 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.
13. If the facility will have staff on-site for periods of time necessitating bathroom

accommodations, these accommodations must be designed, installed and maintained by a person licensed to do so and the accommodations must comply with all local, county and state health regulations.

14. The permit Number shall be_____.

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 fluid injection 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.

Pursuant to **§2001.144(a)(4)(A)**, of the Texas Government Code, and the agreement of the applicant, this Final Order is effective when a Master Order relating to this Final Order is signed.

Done this 21st day of August, 2018.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Divisions' unprotested Master
Order Dated August 21, 2018)**