

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 08-0314968

APPLICATION OF OWL SWD OPERATING, LLC (629870) PURSUANT TO STATEWIDE RULE 46 TO INJECT FLUID INTO A RESERVOIR PRODUCTIVE OF OIL AND GAS FOR THE CRONOS SWD LEASE, WELL NO. 1, GRICE (DELAWARE) FIELD, LOVING COUNTY, TEXAS

FINAL ORDER

The Railroad Commission of Texas ("Commission") finds that after statutory notice in the above-numbered docket heard on January 17, 2019, the presiding Technical Examiner and Administrative Law Judge (collectively, "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 submitted by OWL SWD Operating, 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' 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 as if fully set out and separately stated herein.

Therefore, it is **ORDERED** by the Commission that the application of OWL SWD Operating, LLC pursuant to 16 Tex. Admin. Code § 3.46 to dispose of oil and gas waste by injection into a formation productive of oil or gas on the Cronos SWD Lease, Well No. 1, Grice (Delaware) Field, Loving County, Texas at a rate of 20,000 barrels per day is hereby **GRANTED**. Attached to this Final Order is the Permit to dispose of non-hazardous oil and gas waste by injection into a porous formation productive of oil and gas.

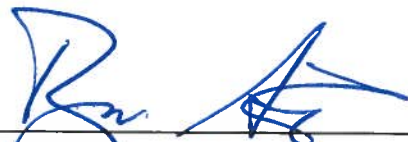
This order will not be final and effective until 25 days after the date the order is signed. If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to 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 100 days from the date the order is served on the parties.

Signed on June 18, 2019.

RAILROAD COMMISSION OF TEXAS



CHAIRMAN CHRISTI CRADDICK




COMMISSIONER RYAN SITTON

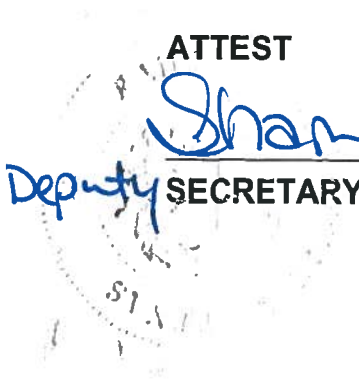


COMMISSIONER WAYNE CHRISTIAN

ATTEST



Deputy SECRETARY



CHRISTI CRADDICK, CHAIRMAN
RYAN SITTON, COMMISSIONER
WAYNE CHRISTIAN, COMMISSIONER



DANNY SORRELLS
ASSISTANT EXECUTIVE DIRECTOR
DIRECTOR, OIL AND GAS DIVISION
PAUL DUBOIS
ASSISTANT DIRECTOR, TECHNICAL PERMITTING

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

PERMIT TO INJECT FLUID INTO A RESERVOIR PRODUCTIVE OF OIL AND GAS

PROJECT NO. F-21454

OWL SWD OPERATING, LLC
8201 PRESTON RD SUITE 520
DALLAS TX 75225

Authority is granted to inject into the well identified herein in accordance with Statewide Rule 46 of the Railroad Commission of Texas and based on the information contained in the application (Forms H-1 and H-1A) dated June 18, 2018 for the permitted interval of the DELAWARE formation and subject to the following terms and special conditions:

CRONOS SWD (000000) LEASE
GRICE (DELAWARE) FIELD
LOVING COUNTY
DISTRICT 08

WELL IDENTIFICATION AND PERMIT PARAMETERS:

Well No.	API No.	UIC Number	Permitted Fluids	Top Interval (feet)	Bottom Interval (feet)	Maximum Liquid Daily Injection Volume (BBL/day)	Maximum Gas Daily Injection Volume (MCF/day)	Maximum Surface Injection Pressure for Liquid (PSIG)	Maximum Surface Injection Pressure for Gas (PSIG)
1	30100000		Salt Water, and Other Non-Hazardous O/G Waste	5,000	6,200	20,000		2,500	

SPECIAL CONDITIONS:

Well No.	API No.	Special Conditions
1	30100000	1. If the well is drilled to a Total Depth (TD) more than 100 feet below the permitted injection interval, the plug back TD must be within 100 feet of the base of the injection interval.

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 work over 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 work over, 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 work over 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 operations 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.

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.

This Permit was issued by the Railroad Commission of Texas on June 18, 2019, pursuant to a final order signed in Oil and Gas Docket No. 08-0314968.