

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 08-0321863

**APPLICATION OF RUGER PROPERTIES, LLC (734092) PURSUANT TO STATEWIDE
RULE 9 FOR A COMMERCIAL PERMIT TO DISPOSE OF OIL & GAS WASTE BY
INJECTION INTO A POROUS FORMATION NOT PRODUCTIVE OF OIL AND GAS,
WHITE SWD LEASE, WELL NO. 1, SPRABERRY (TREND AREA) FIELD, MARTIN
COUNTY, TEXAS**

FINAL ORDER

The Railroad Commission of Texas ("Commission") finds that after statutory notice in the above-numbered docket heard on November 18, 2019, the presiding Technical Examiner and Administrative Law Judge (collectively, "Examiners") have made and filed a 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 Ruger Properties, LLC is in compliance with all statutory requirements; and that this proceeding was duly submitted to the Commission 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 Ruger Properties, LLC pursuant to 16 Tex. Admin. Code § 3.9 to dispose of oil and gas waste by injection into a porous formation not productive of oil or gas on the White SWD Lease, Well No. 1, in the Spraberry (Trend Area) Field, in Martin County, Texas, at a rate of 30,000 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 not productive of oil and gas (see Attachment A).

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

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Final Order

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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 May 20, 2020.

RAILROAD COMMISSION OF TEXAS

DocuSigned by:

Wayne Christian

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CHAIRMAN WAYNE CHRISTIAN

DocuSigned by:

Christi Craddick

13494B7DF4CC424

COMMISSIONER CHRISTI CRADDICK

DocuSigned by:

Ryan Sitton

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COMMISSIONER RYAN SITTON

ATTEST

DocuSigned by:

Callie Fagan

3581C80DEB1426

SECRETARY



**PERMIT TO DISPOSE OF NON-HAZARDOUS OIL AND GAS WASTE BY INJECTION INTO A
POROUS FORMATION NOT PRODUCTIVE OF OIL AND GAS**

[PERMIT NO. 122547 COMMERCIAL]

**RUGER PROPERTIES, LLC
PO BOX 9685
MIDLAND TX 79707**

Authority is granted to inject Non-Hazardous Oil and Gas waste into the well identified herein in accordance with Statewide Rule 9 of the Railroad Commission of Texas and based on information contained in the application (Form W-14) dated May 14, 2019 for the permitted interval of the SAN ANDRES, GLORIETA, and CLEAR FORK formations and subject to the following terms and special conditions:

**WHITE SWD (000000) LEASE
SPRABERRY (TREND AREA) FIELD
MARTIN 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	31742249	000122547	Salt Water, and Other Non-Hazardous O/G Waste	3,850	5,500	30,000		1,925	

SPECIAL CONDITIONS:

Well No.	API No.	Special Conditions
1	31742249	<p>1. For wells with long string casing set more than 100 feet below the permitted injection interval, the plug back depth shall be within 100 feet of the bottom of the permitted injection interval. For wells with open hole completions, the plug back depth shall be no deeper than the bottom of the permitted injection interval.</p> <p>2. Injectivity Test: The operator shall conduct an injectivity test to determine the rate and pressure at which fluids can be pumped into the injection zone. The operator shall notify the appropriate District Office at least 48 hours in advance of the test to provide opportunity for the Commission to witness the test. An analysis of the injectivity test that includes a data table with columns for time, pressure, and rate, and a graph of the data, shall be filed with the Injection-Storage Permits Unit in Austin within 30 days of completion of the injectivity test. The analysis shall be prepared, signed and sealed by a professional engineer registered in Texas.</p>

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 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. 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.
9. 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. These facilities must 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 dikes shall be designed so as to be able to contain a volume equal to the maximum holding capacity of all such facilities. Any liquids or wastes that do accumulate in the containment area shall be removed within 24 hours and 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.
10. Form P-18, Skim Oil Report, must be filed with the Commission in Austin by the 15th day of the month following the month covered by the report.

11. 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 applicable local, county, and State health regulations.

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.

This Permit was issued by the Railroad Commission of Texas on May 20, 2020, pursuant to a final order signed in Oil and Gas Docket No. 08-0321863.