

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET NO. 08-0320752**

**APPLICATION OF REEVES COUNTY SWD, LLC (698562) PURSUANT TO STATEWIDE RULE 46 FOR A COMMERCIAL PERMIT TO DISPOSE OF OIL AND GAS WASTE INTO A RESERVOIR PRODUCTIVE OF OIL OR GAS FOR THE SOCKS SWD LEASE, WELL NO. 1, REEVES-BLOCK 4 (DEL. 4430) FIELD, REEVES COUNTY, TEXAS**

**OIL AND GAS DOCKET NO. 08-0320772**

**APPLICATION OF REEVES COUNTY SWD, LLC (698562) PURSUANT TO STATEWIDE RULE 46 FOR A COMMERCIAL PERMIT TO INJECT FLUID INTO A RESERVOIR PRODUCTIVE OF OIL OR GAS FOR THE BEAR SWD LEASE, WELL NO. 1, REEVES-BLOCK 4 (DEL. 4430) FIELD, REEVES COUNTY, TEXAS**

**FINAL ORDER**

The Railroad Commission of Texas ("Commission") finds that after statutory notice in the above-numbered dockets heard on November 7 and 8, 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 applications submitted by Reeves County SWD, LLC, are 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 applications of Reeves County SWD, 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 for the Socks SWD Lease, Well No. 1, and the Bear SWD Lease, Well No. 1, Reeves-Block 4 (Del. 4430) Field, Reeves County, Texas, at a rate of 20,000 barrels per day for each well, is hereby **GRANTED**. Attached to this Final Order are the Permits to dispose of non-hazardous oil and gas waste by injection into a porous formation productive of oil and gas (see Attachment A and B).

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Final Order  
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It is further **ORDERED** by the Commission that this order will not be final and effective until 25 days after the date the order is signed unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code § 2001.142, by agreement under Tex. Gov't Code § 2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code § 2001.146(e). If a timely motion for rehearing of an application 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) and 16 Tex. Admin. Code § 1.128(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 Commission Order is signed.

Each exception to the Proposal for Decision not expressly granted herein is overruled. All pending motions and requests for relief not previously granted or granted herein are denied.

Signed on June 16, 2020.

**RAILROAD COMMISSION OF TEXAS**

DocuSigned by:

*Wayne Christian*

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**CHAIRMAN WAYNE CHRISTIAN**

DocuSigned by:

*Christi Craddick*

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**COMMISSIONER CHRISTI CRADDICK**

DocuSigned by:

*Ryan Sitton*

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**COMMISSIONER RYAN SITTON**

**ATTEST**

DocuSigned by:

*Callie Farrar*

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**SECRETARY**



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

**PROJECT NO. F-21908, COMMERCIAL**

**REEVES COUNTY SWD, LLC  
3100 N A STREET BLDG A  
MIDLAND TX 79705**

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 May 25, 2018 for the permitted interval of the BELL CANYON, CHERRY CANYON, and BRUSHY CANYON formations and subject to the following terms and special conditions:

**SOCKS SWD (000000) LEASE  
REEVES-BLOCK 4 (DEL. 4430) FIELD  
REEVES 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	38900000		Salt Water, and Other Non-Hazardous O/G Waste	4,300	6,500	20,000		1,025	

**SPECIAL CONDITIONS:**

Well No.	API No.	Special Conditions
1	38900000	<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. One or more seismic events have been recorded within 9.08 km of this well. In addition to the standard H-10 Annual Disposal/Injection Well Monitoring Report, the operator shall collect and maintain daily records of injected volumes and maximum injection pressure. The operator shall make this data available to the Commission upon request.</p> <p>3. Step-Rate Test (SRT):</p> <p>(A) The operator shall conduct a SRT to determine the reservoir fracture initiation pressure prior to initial injection into the permitted formations, using the RRC SRT guidelines. <a href="https://www.rrc.state.tx.us/oil-gas/publications-and-notices/manuals/injectiondisposal-well-manual/summary-of-standards-and-procedures/technical-review/step-rate-test-guidelines/">https://www.rrc.state.tx.us/oil-gas/publications-and-notices/manuals/injectiondisposal-well-manual/summary-of-standards-and-procedures/technical-review/step-rate-test-guidelines/</a></p> <p>(B) 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 SRT.</p> <p>(C) The operator shall provide raw data from the test to the Injection-Storage Permits Unit in Austin within 48 hours of completing the SRT.</p> <p>(D) An analysis of the step-rate test shall be filed with the Injection-Storage Permits Unit in Austin within 30 days of completion of the SRT. The SRT analysis shall be prepared, signed and sealed by a professional engineer registered in Texas and filed with the initial mechanical integrity test, Form H-5.</p> <p>4. Initial Static Bottomhole Pressure (BHP) Test:</p> <p>(A) The operator shall perform an initial static BHP test to quantify reservoir pressure prior to initial injection into the permitted formations.</p> <p>(B) 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 BHP test.</p> <p>(C) The operator shall provide raw data from the test to the Injection-Storage Permits Unit in Austin within 48 hours of completing the BHP test.</p> <p>(D) An analysis of the BHP test shall be filed with the Injection-Storage Permits Unit in Austin within 30 days of completion of the BHP test. The BHP analysis shall be prepared, signed and sealed by a professional engineer registered in Texas and filed with the Mechanical Integrity Test, Form H-5.</p> <p>(E) Measurement for the BHP test shall be performed via wireline tool, or other Commission-approved bottomhole pressure measurement technique.</p> <p>(F) If multiple formations are open to injection, steps must be taken to isolate the formations for discrete shut-in BHP measurements for each separate formation. The Delaware Mountain Group shall be treated as a single formation and it shall not be necessary to measure the pressure in the discrete members of the Delaware Mountain Group.</p>

**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.
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. 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.
12. Form P-18, Skim Oil Report, must be filed in duplicate with the District Office by the 15<sup>th</sup> 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 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 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 16, 2020, pursuant to a final order signed in Oil and Gas Docket No. 08-0320752.

**PERMIT TO INJECT FLUID INTO A RESERVOIR PRODUCTIVE OF OIL AND GAS****PROJECT NO. F-21909, COMMERCIAL**

**REEVES COUNTY SWD, LLC  
3100 N A STREET BLDG A  
MIDLAND TX 79705**

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 May 25, 2018 for the permitted interval of the BELL CANYON, BRUSHY CANYON, and CHERRY CANYON formations and subject to the following terms and special conditions:

**BEAR SWD (000000) LEASE  
REEVES-BLOCK 4 (DEL. 4430) FIELD  
REEVES COUNTY  
DISTRICT 08**

**WELL IDENTIFICATION AND PERMIT PARAMETERS:**

<b>Well No.</b>	<b>API No.</b>	<b>UIC Number</b>	<b>Permitted Fluids</b>	<b>Top Interval (feet)</b>	<b>Bottom Interval (feet)</b>	<b>Maximum Liquid Daily Injection Volume (BBL/day)</b>	<b>Maximum Gas Daily Injection Volume (MCF/day)</b>	<b>Maximum Surface Injection Pressure for Liquid (PSIG)</b>	<b>Maximum Surface Injection Pressure for Gas (PSIG)</b>
1	38900000		Salt Water, and Other Non-Hazardous O/G Waste	4,325	6,500	20,000		1,081	



**SPECIAL CONDITIONS:**

Well No.	API No.	Special Conditions
1	38900000	<p><b>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.</b></p> <p><b>2. One or more seismic events have been recorded within 9.08 km of this well. In addition to the standard H-10 Annual Disposal/Injection Well Monitoring Report, the operator shall collect and maintain daily records of injected volumes and maximum injection pressure. The operator shall make this data available to the Commission upon request.</b></p> <p><b>3. Step-Rate Test (SRT):</b></p> <p><b>(A) The operator shall conduct a SRT to determine the reservoir fracture initiation pressure prior to initial injection into the permitted formations, using the RRC SRT guidelines. <a href="https://www.rrc.state.tx.us/oil-gas/publications-and-notice/manuals/injectiondisposal-well-manual/summary-of-standards-and-procedures/technical-review/step-rate-test-guidelines/">https://www.rrc.state.tx.us/oil-gas/publications-and-notice/manuals/injectiondisposal-well-manual/summary-of-standards-and-procedures/technical-review/step-rate-test-guidelines/</a></b></p> <p><b>(B) 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 SRT.</b></p> <p><b>(C) The operator shall provide raw data from the test to the Injection-Storage Permits Unit in Austin within 48 hours of completing the SRT.</b></p> <p><b>(D) An analysis of the step-rate test shall be filed with the Injection-Storage Permits Unit in Austin within 30 days of completion of the SRT. The SRT analysis shall be prepared, signed and sealed by a professional engineer registered in Texas and filed with the initial mechanical integrity test, Form H-5.</b></p> <p><b>4. Initial Static Bottomhole Pressure (BHP) Test:</b></p> <p><b>(A) The operator shall perform an initial static BHP test to quantify reservoir pressure prior to initial injection into the permitted formations.</b></p> <p><b>(B) 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 BHP test.</b></p>



**(C) The operator shall provide raw data from the test to the Injection-Storage Permits Unit in Austin within 48 hours of completing the BHP test.**

**(D) An analysis of the BHP test shall be filed with the Injection-Storage Permits Unit in Austin within 30 days of completion of the BHP test. The BHP analysis shall be prepared, signed and sealed by a professional engineer registered in Texas and filed with the Mechanical Integrity Test, Form H-5.**

**(E) Measurement for the BHP test shall be performed via wireline tool, or other Commission-approved bottomhole pressure measurement technique.**

**(F) If multiple formations are open to injection, steps must be taken to isolate the formations for discrete shut-in BHP measurements for each separate formation. The Delaware Mountain Group shall be treated as a single formation and it shall not be necessary to measure the pressure in the discrete members of the Delaware Mountain Group.**

**STANDARD CONDITIONS:**

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  - a. running tubing and setting packer;
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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.
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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 applicable local, county, and State health regulations.

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This Permit was issued by the Railroad Commission of Texas on June 16, 2020, pursuant to a final order signed in Oil and Gas Docket No. 08-0320772.