

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET  
NO. 01-0280364**

**IN THE TILDEN, S. (WILCOX H2S  
DISPOSAL) FIELD, MCMULLEN  
COUNTY, TEXAS**

**FINAL ORDER  
MODIFYING INJECTION PERMIT, F-17347 AMENDED, OF  
REGENCY FIELD SERVICES LLC FOR INJECTION OF FLUIDS  
CONTAINING HYDROGEN SULFIDE IN ITS  
TILDEN GPI LEASE, WELL NO.1  
TILDEN, S. (WILCOX H2S DISPOSAL) FIELD  
MCMULLEN COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on October 2 & 3, 2013, 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 the permit issued to Regency Field Services LLC on February 29, 2012, under Project No. F-17347 amended, is hereby modified. The Tilden GPI Lease (ID No. 14827), Well No. 1, in the Tilden, S. (Wilcox H2S Disposal) Field, McMullen County, Texas, shall be allowed to continue to inject pursuant to the aforementioned permit for a term of five years from the date this order is signed. The permit will expire at the end of that five year term unless, at least 60 days prior to the expiration date, Regency files with the Commission an updated plume model and updated analysis of disposal alternatives.

It is further **ORDERED** that, if Regency timely files the updated information, the Commission Technical Permitting staff shall review the information to determine if the permit should be renewed for up to an additional five year period. If the Technical Permitting Staff determines that injected fluids are properly contained in the disposal interval and that renewal is appropriate with any additional or modified conditions or terms Staff determines to be appropriate, Staff may issue an order renewing the permit for up to five years. If Regency disagrees with the Staff's proposed action, it may request a hearing

on the issue of renewal of this permit. The hearing request must be made within 21 days after Regency is notified in writing of Staff's proposed action regarding renewal. If Regency timely files updated information, and injected fluids are contained, this permit shall not expire until at least 21 days after Staff has notified Regency in writing of its proposed action regarding renewal. If Regency timely requests a hearing in response to the Staff notice, the permit will remain in effect until a final order is issued by the Commission on the renewal issue.

It is further **ORDERED** that the J. H. Dickinson Lease, Well No. 1 (API No. 42-311-01307), must be plugged in accordance with Statewide Rule 14 within 18 months of the date this Order becomes final. A copy of Form W-3 Plugging Record must be filed with the Technical Permitting Staff documenting compliance with this condition of the Order.

It is further **ORDERED** by the Railroad Commission of Texas that Regency Field Services LLC is hereby authorized to conduct disposal operations in the Tilden GPI Lease, Well No. 1, Tilden, S. (Wilcox H<sub>2</sub>S Disposal) Field, McMullen County, Texas, subject to the following terms and conditions:

**SPECIAL CONDITIONS:**

1. Waste shall only be injected into strata in the subsurface depth interval from 5,870 feet to 6,800 feet.
2. The injection volume shall not exceed 2,660 barrels (7.3 MMCF) of acid gas per day.
3. The maximum operating surface injection pressure shall not exceed 2,925 psig.
4. Injected fluids shall be limited to compressed CO<sub>2</sub>, H<sub>2</sub>S and Natural Gas.
5. Regency Field Services LLC will continue to investigate the deeper formations for possible disposal zones.
6. A permanent marker shall be placed on the wellhead of the Tilden GPI Lease Well No. 1 after injection ceases to notify persons of possible high hydrogen sulfide content in this wellbore.
7. This permit may be suspended without prior opportunity for hearing if Commission Staff determines at any time that injected fluids are not being contained within the approved injection zone.

**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 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 in duplicate with the District Office 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. This permit may not be transferred to another operator.
8. A well herein authorized cannot be converted to a producing well and have an allowable assigned without filling 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. Unless renewed as provided in this order, this permit will expire five years from the date this order is signed.

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.

Each exception to the examiners' proposal for decision not expressly granted herein is overruled. All requested findings of fact and conclusions of law which are not expressly adopted herein are denied. All pending motions and requests for relief not previously granted or granted herein are denied.

This order will not be final and effective until 20 days after a party is notified of the Commission's order. A party is presumed to have been notified of the Commission's order three days after the date on which the notice is actually mailed. 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 90 days from the date the order is served on the parties.

Done this 25<sup>th</sup> day of March, 2014.

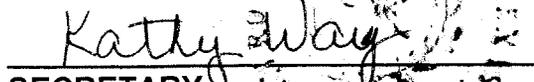
RAILROAD COMMISSION OF TEXAS

  
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CHAIRMAN BARRY T. SMITHERMAN

  
\_\_\_\_\_  
COMMISSIONER DAVID PORTER

  
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COMMISSIONER CHRISTI CRADDICK

ATTEST:

  
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SECRETARY

