

**RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL
OIL AND GAS SECTION**

**OIL AND GAS DOCKET
NO. 06-0229093**

**IN THE WOODLAWN FIELD,
HARRISON COUNTY, TEXAS**

**FINAL ORDER
APPROVING THE APPLICATION OF TALCO MIDSTREAM ASSETS
(FORMERLY TALCO GAS GATHERING COMPANY) TO DISPOSE OF OIL
AND GAS WASTE BY INJECTION INTO A POROUS FORMATION
NOT PRODUCTIVE OF OIL OR GAS IN THE WILBORN LEASE WELL NO. 1 SW
IN THE WOODLAWN FIELD, HARRISON COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on October 25, 2001, 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 Talco Midstream Assets be and is hereby authorized to conduct salt water disposal operations in the Wilborn Lease Well No.1, Woodlawn Field, Harrison County, Texas subject to the following terms and conditions:

1. That the injection program be conducted in the interval from 2,390 feet to 2,440 feet.
2. That the injection volume does not exceed 2000 barrels of saltwater per day.
3. That the surface injection pressure does not exceed 1,000 psig.
4. That the well must be so cased and completed that the injection material can enter no other strata than that approved in this order; and provided further that should it be determined by the Commission that such injected material is not confined to the approved strata, the authorization given hereby shall be suspended and the injection stopped until all migration from such strata is eliminated.
5. 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.

6. 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.
7. The wellhead must be equipped with a pressure observation valve on the tubing and for each annulus.
8. Prior to beginning injection, 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.
9. Form W-2 must be filed in duplicate with the District Director within 30 days after completion or conversion to disposal.
10. The injection pressure and injection volume must be monitored at least monthly and be reported annually on Form H-10 to the Commission's Austin Office.
11. Written notice of the intent to transfer the permit must be submitted to the Director of Underground Injection Control and approval obtained prior to the date the transfer will occur (File Form P-4).
12. This permit will expire when the Form W-3, Plugging Record, is filed with the Commission.
13. That the well be identified and operated according to Permit Number _____.
14. 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. See Statewide Rule 56 in regard to the reporting of skim oil on Form P-18.

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.

It is further **ORDERED** by the Commission that this order shall 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.

Effective this _____ day of _____, 2002.

RAILROAD COMMISSION OF TEXAS

CHAIRMAN MICHAEL L. WILLIAMS

COMMISSIONER CHARLES R. MATTHEWS

COMMISSIONER TONY GARZA

ATTEST:

SECRETARY