

RAILROAD COMMISSION OF TEXAS
Oil and Gas Division

NOTICE TO OPERATORS IN AREA OF THE EAST TEXAS FIELD

**SPECIAL PERMIT CONDITIONS APPLIED TO COMMERCIAL DISPOSAL
WELLS INJECTING INTO FORMATIONS UNDERLYING THE WOODBINE
WITHIN THE AREA OF THE EAST TEXAS FIELD**

Permits for commercial disposal wells injecting into formations underlying the Woodbine formation within the area of the East Texas Field will be subject to special conditions designed to insure fluids cannot migrate into the Woodbine.

In order to verify that future commercial disposal wells injecting into formations deeper than the Woodbine are completed and operated in a manner that protects the East Texas Field, staff will advise applicants that a commercial disposal well permit for injection below the Woodbine will include the following conditions:

1. An open-hole log must be provided for any existing well or performed on any proposed new well which shows the depth of the top and bottom of the Woodbine formation and the entire proposed disposal interval.
2. The top of the proposed injection interval must be sufficiently separated from the base of the Woodbine formation such that the packer required to be set no more than 100 feet above the top of the injection interval will be at least 100 feet below the base of the Woodbine formation.
3. A cement bond log of the "Production Casing" must be provided that demonstrates compliance with Statewide Rule 13(4)(A) which requires cement from the casing shoe to a point at least 600 feet above the shallowest productive horizon.
4. A radioactive tracer survey, oxygen activation log, or other approved technique must be performed after the first year of injection operations and every two years thereafter to ensure all injected fluid is entering the permitted injection interval and not migrating up hole into the Woodbine.

Operators who disagree with staff action outlined in this notice may request a hearing to show cause why such permit conditions are not justified.

Austin, Texas

July 11, 2011

PLEASE FORWARD TO THE APPROPRIATE SECTION OF YOUR COMPANY