

**RAILROAD COMMISSION OF TEXAS  
OFFICE OF GENERAL COUNSEL**

**OIL & GAS DOCKET NOS.  
10-0252412 AND 10-0252413**

**PANHANDLE MOORE COUNTY  
FIELD, MOORE COUNTY, TEXAS**

**FINAL ORDER  
CANCELLING PERMIT W-14 PERMIT NO. 11455 AND  
APPROVING THE APPLICATION OF DCP MIDSTREAM, LP  
FOR INJECTION OF FLUIDS CONTAINING HYDROGEN SULFIDE  
INTO ITS SNEED H2S INJECTION WELL NO. 1  
PANHANDLE MOORE COUNTY FIELD  
MOORE COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on December 12, 2007, the presiding examiners have made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was waived; 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 recommendation, the findings of fact and conclusions of law contained therein, 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 DCP Midstream, LP be and is hereby authorized to dispose of fluids containing hydrogen sulfide into its Sneed H2S Injection Well No. 1, Panhandle Moore County Field, Moore County, Texas, pursuant to Statewide Rule 36(c)(10)(A).

It is further **ORDERED** by the Railroad Commission of Texas that Form W-14 Permit No. 11455 issued on February 8, 2001 for the Sneed H2S Injection Well No. 1, is cancelled as of the effective date of this Order.

It is further **ORDERED** by the Railroad Commission of Texas that DCP Midstream, LP is hereby authorized to conduct disposal operations in the Sneed H2S Injection Well No. 1, Panhandle Moore County Field, Moore 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 3094 feet to 4350 feet.
2. The injection volume shall not exceed 1500 MCF of acid gas per day.
3. The maximum operating surface injection pressure shall not exceed 1300 psig.
4. A permanent marker shall be placed on the wellhead of the Sneed H<sub>2</sub>S Injection Well No. 1 after injection ceases to notify persons of possible high hydrogen sulfide content in this wellbore.
5. The permit shall expire September 30, 2009. However, the Commission may administratively grant a one year extension if: (i) the operator requests the extension by or before July 1, 2009, (ii) the operator is up to date with all reporting requirements of the permit, and (iii) conditions in the field have not materially changed from the effective date of this order.
6. Monitoring and Reporting.
  - a. Within thirty days of the effective date of this order, DCP Midstream, LP shall submit to the District office in Pampa and Technical Permitting in Austin a detailed monitoring plan, the implementation of which will provide sufficient and credible information to allow the Commission to evaluate and come to conclusions about H<sub>2</sub>S concentrations in wells producing from the permitted injection interval and whether or not injected material is confined to the injection interval. The monitoring plan shall include provisions for the safe monitoring of shut-in wells.
  - b. Within ninety days of the effective date of this order, DCP Midstream, LP shall submit to the District office in Pampa and Technical Permitting in Austin an initial monitoring report. The initial monitoring report shall describe all activities the operator performed to (i) measure H<sub>2</sub>S concentrations in wells producing from the permitted injection interval, (ii) determine whether or not injected material is confined to the injection interval, and the report shall provide the results of such monitoring activity. The initial report shall cover the time period from the first date of monitoring injected material until thirty days before the due date for the initial report.
  - c. Every ninety days after submitting the initial monitoring report and for the entire term of the permit, the operator shall submit to the District office in Pampa and Technical Permitting in Austin a subsequent monitoring report. The subsequent report shall describe all activities the operator performed to (i) measure H<sub>2</sub>S

concentrations in wells producing from the permitted injection interval, (ii) determine whether or not injected material is confined to the injection interval, and the subsequent report shall provide the results of such monitoring activity. The subsequent report shall cover the time period from thirty days before the initial monitoring report is due to thirty days before the subsequent report is due. The reporting period for each subsequent report shall be thirty days before the last report was due to thirty days before the current report is due.

- d. Operator shall immediately report to the Commission District Office material changes in underground conditions.
7. When injection in the Sneed H2S Injection well ceases, DCP shall remediate the spread of acid gas as required by the Railroad Commission of Texas.

**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 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. 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.
5. 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.
6. Written notice of intent to transfer the permit to another operator must be submitted to the Commission at least 15 days prior to the date the transfer will occur by filing Form P-4.
7. This permit will expire when the Form W-3, Plugging Record, is filed with the Commission.

8. That the well be identified and operated according to Project Number \_\_\_\_\_.

Provided further that, should it be determined that such injection fluid is not confined to the approved strata, then the permission given herein is suspended and disposal operation must be stopped until the fluid migration from such strata is eliminated.

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 26<sup>th</sup> day of February, 2008.

**RAILROAD COMMISSION OF TEXAS**

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**CHAIRMAN MICHAEL L. WILLIAMS**

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**COMMISSIONER VICTOR G. CARRILLO**

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**COMMISSIONER ELIZABETH A. JONES**

**ATTEST:**

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**Secretary**

