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RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

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

PROJECT NO. F-20992

BURLESON PETROLEUM, INC.
P O BOX 2479
MIDLAND TX 79702

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 September 14, 2017 for the permitted interval of the SAN ANDRES formation and subject to the following terms and special conditions:

UNIVERSITY -U- (000000) LEASE
GOLDSMITH, N. (SAN ANDRES, CON.) FIELD
ANDREWS 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)
5	00338095	000116130	Salt Water, and Other Non-Hazardous O/G Waste	4700	5160	10000	NA	2269	NA

SPECIAL CONDITIONS:

Well No.	API No.	Special Conditions
5	00338095	<p>1. A recompletion drilling permit must be obtained for the GOLDSMITH, N. (SAN ANDRES, CON.) field pursuant to Statewide Rule 5(c).</p> <p>2. A bridge plug must be set below the injection interval at a depth of 5600 feet with 20 feet of cement on top. A copy of Form W-15 Cementing Report must be filed with the initial Form H-5 Injection Well Pressure Test Report documenting compliance with this Special Condition.</p> <p>3. A bridge plug must be set below the injection interval at a depth of 5260 feet with 20 feet of cement on top. A copy of Form W-15 Cementing Report must be filed with the initial Form H-5 Injection Well Pressure Test Report documenting compliance with this Special Condition.</p> <p>4. Note: The subject well is on current RRC schedule: EMBAR (PERMIAN) field and UNIVERSITY -U- (Dst-08, Lse-09642) lease. File W-2/G-1 Completion / Recompletion Report when well is converted.</p> <p>5. One or more seismic events have been recorded within 9.08 km of this well. Operator shall, in addition to the standard H-10 Annual Disposal/Injection Well Monitoring Report, collect and record accurate injected volumes and maximum injection pressure daily and make this data available to the Commission upon request.</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.

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.

APPROVED AND ISSUED ON March 12, 2018.


for _____
Leslie Savage
Assistant Director, Technical Permitting