

**RAILROAD COMMISSION OF TEXAS**  
**Oil and Gas Division**

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**NOTICE TO OPERATORS IN THE EAST TEXAS FIELD**

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**AREA OF REVIEW (AOR) VARIANCE NO LONGER APPLICABLE TO  
COMMERCIAL DISPOSAL WELLS**

Commission staff will no longer allow applicants for commercial disposal well permits to rely on the AOR variance granted for the East Texas Field.

In 1995, the Commission granted a request by the East Texas Saltwater Disposal Company (ETSWDC) for a variance pursuant to Statewide Rule 46(e)(2) to eliminate the AOR requirement for applications for new injection well permits in the East Texas Field. The variance allows persons to complete an application for an injection permit in the East Texas Field without the normal requirement that the applicant *“review the data of public record for wells that penetrate the proposed disposal zone within a 1/4 mile radius of the proposed disposal well to determine if all abandoned wells have been plugged in a manner that will prevent the movement of fluids from the disposal zone into freshwater strata. The applicant shall identify in the application any wells which appear from such review of public records to be unplugged or improperly plugged and any other unplugged or improperly plugged wells of which the applicant has actual knowledge.”*

Until now, there have been no limitations on how the AOR variance has been applied and a number of commercial disposal wells have been permitted in reliance on the variance. These commercial disposal wells can, and do, accept fluids produced from formations other than the Woodbine formation within the East Texas Field. Commission staff has concluded that injection of fluids produced from formations other than the Woodbine from within the East Texas Field is inconsistent with the premises upon which the AOR variance was originally granted. Therefore, Commission staff will no longer allow an AOR variance for applications for commercial disposal well permits in the East Texas Field.

In addition, the report of the study that was conducted to support the AOR variance was published in 1995 and concluded that *“[T]he study has shown that the Woodbine reservoir is currently underpressured relative to the Carrizo-Wilcox and will remain so over the next 20 years.”* As there is now fluid from sources other than the Woodbine formation entering the Woodbine and there are now less than four years remaining in the reports original timeline, Commission staff will be pursuing information on the current average reservoir pressure in the East Texas Field as a means of validating continued reliance on the AOR variance. Methods to determine the current average pressure will include directives to current commercial disposal well operators and the ETSWDC to perform appropriate tests and/or measurements sufficient for this purpose.

Operators who disagree with staff action outlined in this notice may request a hearing to show cause why continued reliance on the AOR variance is justified for future commercial disposal well permit applications. Similarly, current operators who oppose any directive to conduct bottom hole pressure tests or measurements may request a hearing to show cause why it should not be required to do so.

Austin, Texas

May 2011

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**PLEASE FORWARD TO THE APPROPRIATE SECTION OF YOUR COMPANY**

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