

April 23, 2007

**OIL AND GAS DOCKET NO. 03-0251358**

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**APPLICATION OF FAMCOR OIL, INC. TO CONSIDER EXCEPTION TO FLARE GAS PURSUANT TO STATEWIDE RULE 32(H)(4) FOR THE USA-RAVEN FOREST LEASE WELL NO. 1 IN THE RAVEN FOREST (11,300) FIELD, MONTGOMERY COUNTY, TEXAS**

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**HEARD BY:** Thomas H. Richter, P.E.

**DATE OF HEARING:** April 19, 2007

**APPEARANCES:**

Tim George, lawyer  
Mimi Winetroub

**REPRESENTING:**

Famcor Oil, Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**  
**STATEMENT OF THE CASE**

This is the unprotested application of Famcor Oil for Commission authority to flare gas during testing for a period not to exceed 12 months from the date of completion of the USA- Raven Forest Well No. 1 in Montgomery County. The examiner recommends approval.

**DISCUSSION OF THE EVIDENCE**

The Raven Forest (11,300) Field was discovered in 1982 at 11,286' subsurface depth. The field is governed by Statewide Rules and there are no wells in the field. Commission records indicate that cumulative production from the field is 330 MCF and 5 BC. The discovery well for the field was the HNG Fossil Fuels Co., Central Coal & Coke Well No. 1. The well was completed in September 1982 through perforations from 11,286' to 11,318' subsurface depth. The highest flow rate was 789 MCFD and an absolute open flow of 1600 MCFD. The shut-in bottomhole pressure was 5,811 psi. The well was plugged in December 1986.

Famcor proposes to re-enter the plugged Central Coal & Coke Well No. 1 (renaming it to USA-Raven Forest Lease Well No. 1) and drilling to 12,000' subsurface depth. The well is located in the Sam Houston National Forest between Lake Conroe and Lake Livingston. The nearest pipeline is the 18" Kinder Morgan Intrastate Pipeline approximately 5 miles south of the proposed well.

An exception to Statewide Rule 32(h)(4) to flare gas up to 12 months is necessary to properly evaluate the subject well for reserve evaluation. Statewide Rule 32 states in part:

(h) Exceptions. The commission or the commission's delegate may administratively grant an exception authorized by this section provided that the requirements of this subsection are met.

(2) An administrative exception shall not exceed a period of 180 days.

(4) Requests for exceptions for more than 180 days and for volumes greater than 50 mcf of hydrocarbon gas per day shall be granted only in a final order signed by the commission.

The subject well lies within a National Forest which entails numerous Federal limitations and restrictions and studies. The installation of a gas gathering line through the National Forest entails many studies. Testing of the well is necessary to warrant the capital expenditures. The reservoir must be properly evaluated for reserve potential. The testing may entail more than 180 days pursuant to administrative approval criteria of Statewide Rule 32. As there is no pipeline, it will be necessary to flare the produced gas.

### **FINDINGS OF FACT**

1. Notice of this hearing was sent to all operators in the subject field at least ten (10) days prior to the subject hearing.
2. There was no protest at the call of the hearing.
3. The Raven Forest (11,300) Field was discovered in 1982 at 11,286' subsurface depth.
  - a. The discovery well for the field was the HNG Fossil Fuels Co., Central Coal & Coke Well No. 1 completed in September 1982 through perforations from 11,286' to 11,318' subsurface depth and plugged in December 1986.
  - b. Cumulative production from the field is 330 MCF and 5 BC.
4. Famcor proposes to re-enter the plugged Central Coal & Coke Well No. 1 (renaming it to USA-Raven Forest Lease Well No. 1) and drilling to 12,000' subsurface depth.
  - a. Surface limitations and restrictions are numerous as the well is located in the Sam Houston National Forest between Lake Conroe and Lake Livingston.
5. An exception to Statewide Rule 32(h)(4) to flare gas up to 12 months is necessary to properly evaluate the subject well for reserve evaluation.
  - a. The subject well lies within a National Forest which entails numerous Federal limitations and restrictions and studies.
  - b. The installation of a gas gathering line through the National Forest entails many studies.
  - c. Testing of the well is necessary to warrant the capital expenditures and the reservoir

must be properly evaluated for reserve potential.

- d. The testing and flaring may entail more than 180 days pursuant to administrative approval criteria.
6. The nearest pipeline is the 18" Kinder Morgan Intrastate Pipeline approximately 5 miles south of the proposed well.

**CONCLUSIONS OF LAW**

1. Proper notice was given to all parties as set out in the provisions of all applicable codes and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. The application meets the requirements of Statewide Rule 32 and such exception will prevent avoidable waste and will not harm correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions of law, the examiner recommends approval of the application of Famcor Oil to permit the flaring of gas during testing from its USA-Raven Forest Lease Well No. 1 for a period not to exceed 12 months from the date the well is completed.

Respectfully submitted,

Thomas H. Richter, P.E.  
Technical Examiner  
Office of General Counsel