



# RAILROAD COMMISSION OF TEXAS

## OFFICE OF GENERAL COUNSEL

**OIL AND GAS DOCKET NO. 03-0275394**

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**THE APPLICATION OF FAMCOR OIL, INC. FOR AN EXCEPTION TO 16 TAC §3.32 FOR THE KNIGHT LEASE, WELL NO. 1, BIG SANDY (COCKFIELD) FIELD, POLK COUNTY, TEXAS**

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**HEARD BY:** Brian K. Fancher, P.G. - Technical Examiner  
Michael Crnich - Legal Examiner

**DATE OF HEARING:** August 08, 2012

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Mimi Winetroub

Famcor Oil, Inc.

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Famcor Oil, Inc. ("Famcor") requests an exception to 16 TAC §3.32 to flare casinghead gas from its Knight Lease, Well No. 1. All adjacent operators to the Knight Lease were included on the service list of the Notice of Hearing dated July 13, 2012 for the subject application.

This application was unopposed and the examiners recommend approval of the application, as requested by Famcor.

#### DISCUSSION OF THE EVIDENCE

Title 16, §3.32 of the Texas Administrative Code governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission. In the context of the subject application, Famcor is requesting to flare casinghead gas produced from the Knight Lease, Well No. 1, as provided by 16 TAC §3.32(h).

Specifically, 16 TAC §3.32(h) provides that an exception to flare natural gas in volumes greater than 50 MCFGPD per well may be granted administratively for a period up to 180 days. Beyond that, 16 TAC §3.32(h)(4) provides that exceptions beyond the 180 days shall be granted only in a final order signed by the Commission.



The Knight Lease, Well No. 1 (API No. 42-373-31167) is completed in the Big Sandy (Cockfield) Field located in Polk County, Texas. The Big Sandy (Cockfield) Field was discovered in July 2012 at an average depth of approximately 4,800 feet and is classified as an oil field. The September 2012 Oil Proration Schedule lists Famcor as the only operator in the field with one producing well.

At the hearing, Famcor entered into evidence an administrative permit (Permit No. 10588) that allowed Famcor to flare 400 MCFGPD of casinghead gas from the subject well for 45 days. The permit went into effect September 09, 2011 and expired November 03, 2011. Consequentially, Famcor applied for and received two permit amendments to flare casinghead gas for an additional 135 days, ultimately expiring on March 19, 2012. By letter dated March 15, 2012, Famcor submitted a letter requesting a hearing to consider an exception to 16 TAC §3.32 for the subject well.

Famcor testified it constructed a 4.6 mile gas pipeline that is connected from the Knight lease tank battery to the nearest gas sales line in the area. Famcor testified it had experienced permitting delays, but completed the pipeline construction in late-July 2012.

Statewide Rule 32(h)(2) stipulates that the Commission may administratively grant an exception to Statewide Rule 32 for a period no greater than 180 days. As previously mentioned, Famcor applied for and received an administrative permit to flare casinghead gas from its subject well for a total of 180 days. Famcor testified that due to the amount of time it took to construct the gas gathering pipeline, it is requesting an exception to 16 TAC §3.32 for its Knight Lease, Well No. 1 to flare a volume of 400 MCFPD from March 20, 2012 through July 30, 2012.

#### **FINDINGS OF FACT**

1. Proper notice of this hearing was given to all adjacent operators at least ten days prior to the date of hearing. There were no protests to the application.
2. The Big Sandy (Cockfield) Field was discovered in July 2012 at an average depth of approximately 4,800 feet. There is one producing well on the September 2012 oil proration schedule.
3. Famcor Oil, Inc. ("Famcor") completed a 4.6 mile gas gathering pipeline from the Knight lease to the nearest gas transport line on July 30, 2012.
4. Apache obtained an administrative permit to flare casinghead gas from the Knight Lease, Well No. 1 for a consecutive period of 180 days.
5. The administrative permit to flare casinghead gas from the Knight Lease, Well No. 1 expired on March 19, 2012.

6. Famcor request an exception to 16 TAC §3.32 to flare casinghead gas at a rate of 400 million cubic feet of gas per day from March 20, 2012 through July 30, 2012.


**CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Approval of the requested authority pursuant to 16 TAC §3.32 will not harm correlative rights and will promote development of the field.

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission grant an exception to 16 TAC §3.32 from March 20, 2012 to July 30, 2012 for the Knight Lease, Well No. 1 (API No. 42-373-31167) in the Big Sandy (Cockfield) Field, as requested by Famcor.

Respectfully submitted,

  
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Technical Examiner

  
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