

RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL AND GAS DOCKET
NO. 03-0281245

IN THE VAN METER, EAST (YEGUA,
DY) FIELD, HARDIN AND JASPER
COUNTIES, TEXAS

FINAL ORDER
ESTABLISHING THE MOST EFFICIENT RATE OF PRODUCTION
FOR THE JACQUES LEASE, WELL NO. 2
VAN METER, EAST (YEGUA, DY) FIELD
HARDIN AND JASPER COUNTIES, TEXAS

The Commission finds that after statutory notice in the above-numbered docket heard on April 26, 2013, the presiding examiners have made and filed a report and recommendation containing findings of fact and conclusions of law, for which service was not required; 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 the most efficient rate of production at the current time for the Jacques Lease, Well No. 2 (API No. 42-199-33346), Van Meter, East (Yegua, DY) Field, Hardin and Jasper Counties, Texas, is established at 275 barrels of oil per day.

It is further **ORDERED** that all overproduction for the Jacques Lease, Well No. 2 (API No. 42-199-33346), Van Meter, East (Yegua, DY) Field, Hardin and Jasper Counties, Texas, is hereby canceled.

Done this 13th day of June, 2013.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by
Hearings Divisions' Unprotested Master
Order dated June 13, 2013)



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 05-0282052

THE APPLICATION OF TRIVIUM OPERATING, LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE SWIFT LEASE, WELL NO. 2H, HOFFMAN LANE (WOODBINE A) FIELD, LEON COUNTY, TEXAS

HEARD BY: Richard D. Atkins, P.E. - Technical Examiner
Terry Johnson - Legal Examiner

DATE OF HEARING: April 22, 2013

APPEARANCES: REPRESENTING:

APPLICANT:

Bill Spencer
Cary McGregor

Trivium Operating, LLC

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Trivium Operating, LLC ("Trivium") requests an exception to Statewide Rule 32 to flare casinghead gas from the Swift Lease, Well No. 2H, Hoffman Lane (Woodbine A) Field, Leon County, Texas.

Notice was provided to offset operators surrounding the above referenced lease. The application is unopposed and the examiners recommend approval of the exception to Statewide Rule 32 to flare casinghead gas, as requested by Trivium.

DISCUSSION OF THE EVIDENCE

Statewide Rule 32 governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission. Specifically, Statewide Rule 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, Statewide Rule 32(h) provides that exceptions beyond 180 days shall be granted only in a final order signed by the Commission. In the context of the subject application, Trivium is requesting to flare casinghead gas produced from the subject well from the date the administrative permit expired through June 30, 2014, as provided by Statewide Rule 32(h).

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The Swift Lease, Well No. 2H, is completed in the Hoffman Lane (Woodbine A) Field, in eastern Leon County, Texas, and is located approximately 18 miles northeast of the town of Centerville, Texas. This area of the Hoffman Lane (Woodbine A) Field lacks existing oil and gas infra-structure for new gas production. The subject well is located approximately 2 miles west of an Atmos Pipeline-Texas gas gathering pipeline. Trivium estimated a \$750,000 cost to construct a pipeline, which will require boring under the Trinity River, to connect to the Atmos gas gathering pipeline.

Trivium submitted a copy of the Commission Form W-2 filed for the Swift Lease, Well No. 9H, that was completed in September 2012. The well produced 130 BOPD, 448 MCFGPD and 2,668 BWPD with a gas-oil ratio of 3,446 cubic feet per barrel. Trivium received administrative Permit No. 12163 to flare 2,000 MCFPD of casinghead gas from the well. The permit was effective October 4, 2012, and expired on April 4, 2013, after two extensions, which totaled the maximum 180 days allowed by an administrative permit.

Trivium requests an exception to Statewide Rule 32 to flare a maximum of 200 MCFPD of casinghead gas produced from the subject well from the date the administrative permit expired through June 30, 2014. Trivium needs until June 30, 2014, to construct a pipeline to connect to the Atmos gas gathering pipeline. An operator is considered temporarily compliant with Statewide Rule 32 until final Commission action on the hearing application if it has requested a hearing prior to the expiration of the administratively granted permit. Trivium has requested a hearing for the subject well before the administrative flare permit expired.

FINDINGS OF FACT

1. Proper notice of this hearing was given at least ten days prior to the date of hearing. There were no protests to the application.
2. The Swift Lease, Well No. 2H, is completed in the Hoffman Lane (Woodbine A) Field, in eastern Leon County, Texas, and is located approximately 18 miles northeast of the town of Centerville, Texas.
 - a. This area of the Hoffman Lane (Woodbine A) Field lacks existing oil and gas infra-structure for new gas production.
 - b. The subject well was completed in September 2012 and produced 130 BOPD, 448 MCFGPD and 2,668 BWPD with a gas-oil ratio of 3,446 cubic feet per barrel.
 - c. The subject well is located approximately 2 miles west of an Atmos Pipeline-Texas gas gathering pipeline.
 - d. The estimated cost to construct a pipeline is \$750,000 and will require boring under the Trinity River to connect to the Atmos gas gathering pipeline.
3. Statewide Rule 32(h) stipulates that the Commission may administratively grant an exception to Statewide Rule 32 for a period no greater than 180 days.

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- a. Trivium Operating, LLC ("Trivium") received administrative Permit No. 12163 to flare 2,000 MCFPD of casinghead gas from the well. The permit was effective October 4, 2012, and expired on April 4, 2013, after two extensions, which totaled the maximum 180 days allowed by an administrative permit.
4. An exception to Statewide Rule 32 from the date the administrative permit expired through June 30, 2014, for the subject well will give Trivium time to construct a pipeline to connect to the Atmos Pipeline- Texas gas gathering pipeline.
5. An exception to Statewide Rule 32 from the date the administrative permit expired through June 30, 2014, for the subject well to flare casinghead gas is appropriate.
 - a. For the Swift Lease, Well No. 2H, Trivium requests to flare a maximum of 200 MCFPD of casinghead gas.
6. An operator is considered temporarily compliant with Statewide Rule 32 until final Commission action on the hearing application if it has requested a hearing prior to the expiration of the administratively granted permit. Trivium has requested a hearing for the subject well before the administrative flare permit expired.


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 Statewide Rule 32 will prevent waste, 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 Statewide Rule 32 from the date the administrative flare permit expired through June 30, 2014, for the subject well, in the Hoffman Lane (Woodbine A) Field, as requested by Trivium Operating, LLC.

Respectfully submitted,


Richard D. Atkins, P.E.
Technical Examiner


Terry Johnson
Legal Examiner