



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0290064

THE APPLICATION OF FOREST OIL CORPORATION FOR AN EXCEPTION TO STATEWIDE RULE 32 COOK-MANFORD TRUST 1H EAGLEVILLE (EAGLE FORD-1) FIELD GONZALES COUNTY, TEXAS

OIL AND GAS DOCKET NO. 01-0290065

THE APPLICATION OF FOREST OIL CORPORATION FOR AN EXCEPTION TO STATEWIDE RULE 32 PATTESON-ROWELL 1H EAGLEVILLE (EAGLE FORD-1) FIELD GONZALES COUNTY, TEXAS

OIL AND GAS DOCKET NO. 01-0290066

THE APPLICATION OF FOREST OIL CORPORATION FOR AN EXCEPTION TO STATEWIDE RULE 32 PATTESON-2-1H EAGLEVILLE (EAGLE FORD-1) FIELD GONZALES COUNTY, TEXAS

HEARD BY: Karl Caldwell, Technical Examiner
Marshall Enquist, Legal Examiner

DATE OF HEARING: July 17, 2014

APPEARANCES:

REPRESENTING:

APPLICANT:

Kelli Kinney
Paul Griesedieck

Forest Oil Corporation

EXAMINERS' REPORT AND RECOMMENDATION**STATEMENT OF THE CASE**

Forest Oil Corporation ("Forest") requests an exception to Statewide Rule 32 to flare casinghead gas from the Cook-Manford Trust 1H, Patteson-Rowell 1H, and the Patteson 2-1H wells, Eagleville (Eagle Ford-1) Field, Gonzales County, Texas. Notice was provided to all operators surrounding the subject wells and no protests were received.

The applications are unopposed and the examiners recommend approval of the exception to Statewide Rule 32 to flare casinghead gas from June 22, 2014 through June 22, 2015 for the subject wells as requested by Forest.

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 MCFPD per well may be granted administratively for a period up to 180 days. Beyond that, Statewide Rule 32(h) provides that exceptions shall be granted only in a final order signed by the Commission. In the context of the subject applications, Forest is requesting an exception to flare casinghead gas produced from the subject wells as provided by Statewide Rule 32(h).

The Cook-Manford Trust 1H, Patteson-Rowell 1H, and the Patteson 2-1H wells have been drilled and completed in the Eagleville (Eagle Ford-1) Field in Gonzales County. The Cook-Manford Trust 1H received administrative Permit No. 15253 to flare a maximum of 70 MCFD of casinghead gas, effective December 20, 2013 to June 21, 2014. This permit granted flaring authority for a total of 180 days, the maximum period of time that may be granted administratively.

The Patteson-Rowell 1H received administrative Permit No. 15256 to flare a maximum of 130 MCFD of casinghead gas, effective December 20, 2013 to June 21, 2014. This permit granted flaring authority for a total of 180 days, the maximum period of time that may be granted administratively.

The Patteson 2-1H received administrative Permit No. 15255 to flare a maximum of 55 MCFD of casinghead gas effective December 20, 2013 to June 21, 2014. This permit granted flaring authority for a total of 180 days, the maximum period of time that may be granted administratively.

Forest has executed a contract with American Mid-Stream Inc. to install a gas gathering system in the area. Forest is in the process of constructing a pipeline to tie into the American Mid-Stream line. Forest estimates the pipeline construction to be completed

in October 2014. However, the gas can not be processed at the tie in point and must be processed at the gas processing facility before entering the sales line due to contaminants in the gas, including an average H₂S concentration of 4,500 ppm. The estimated completion date of the processing facility is March 2015. Forest is requesting flaring authority for each of the subject wells until June 22, 2015. The current completion time estimates for both the pipeline and processing plant construction do not take any unplanned delays into account, hence the request for flaring authority to June 22, 2015.

Forest is requesting to flare a maximum of 75 MCF of casinghead gas per day for the Cook-Manford Trust 1H, 85 MCF per day of casinghead gas for the Patteson-Rowell 1H, and 100 MCF per day of casinghead gas for the Patteson 2-1H. All three flaring requests are for a time period that commences June 22, 2014, and expires June 22, 2015.

FINDINGS OF FACT

1. The Cook-Manford Trust 1H received administrative Permit No. 15253 to flare a maximum of 70 MCFD of casinghead gas, effective December 20, 2013 to June 21, 2014.
2. The Patteson-Rowell 1H received administrative Permit No. 15256 to flare a maximum of 130 MCFD of casinghead gas, effective December 20, 2013 to June 21, 2014.
3. The Patteson 2-1H received administrative Permit No. 15255 to flare a maximum of 55 MCFD of casinghead gas, effective December 20, 2013 to June 21, 2014.
4. Forest is requesting flaring authority for the Cook-Manford Trust 1H, Patteson-Rowell 1H, and Patteson 2-1H from June 22, 2014 through June 22, 2015.
5. Gas from the subject wells will be tied into a gathering line once both the pipeline and processing facility construction is complete, estimated to be prior to June 22, 2015.

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.

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FINDINGS OF FACT

1. The Cook-Manford Trust 1H received administrative Permit No. 15253 to flare a maximum of 70 MCFD of casinghead gas, effective December 20, 2013 to June 21, 2014.
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3. The Patteson 2-1H received administrative Permit No. 15255 to flare a maximum of 55 MCFD of casinghead gas, effective December 20, 2013 to June 21, 2014.
4. Forest is requesting flaring authority for the Cook-Manford Trust 1H, Patteson-Rowell 1H, and Patteson 2-1H from June 22, 2014 through June 22, 2015.
5. Forest is currently constructing a pipeline.

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. The requested authority to flare casinghead gas satisfies the requirements of Title 16, Texas Administrative Code §3.32.

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EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission approve exceptions to Statewide Rule 32 from the date the previous flare permit authority expires through June 22, 2015, for the Cook-Manford Trust 1H, Patteson-Rowell 1H, and the Patteson 2-1H wells, as requested by Forest Oil Corporation.

Respectfully submitted,



Karl Caldwell
Technical Examiner



Marshall Enquist
Legal Examiner