



## RAILROAD COMMISSION OF TEXAS

### HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 01-0294036**

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**THE APPLICATION OF EXCO OPERATING COMPANY, LP FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE TRAYLOR SOUTH ZAV LEASE, WELL NOS. G1H & G2H, BRISCOE RANCH (EAGLEFORD) FIELD, ZAVALA COUNTY, TEXAS**

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**HEARD BY:** Karl Caldwell – Technical Examiner  
Laura Miles-Valdez – Hearings Examiner

**ER & R PREPARED BY:** Peggy A. Laird, P.G.

**HEARING DATE:** January 14, 2015

**CONFERENCE DATE:** March 10, 2015

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Richard D. Atkins, P.E.  
Dale E. Miller

Exco Operating Company, LP

### Examiners' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Exco Operating Company, LP is requesting an eighty-five day exception to Statewide Rule 32 (16 Tex. Admin. Code § 3.32) to flare gas from its Traylor South ZAV Lease, Well Nos. G1H and G2H in the Briscoe Ranch (Eagleford) Field in Zavala County, Texas. All offset operators in the field were notified of the hearing. There were no objections filed, and no Protestants appeared at the hearing. The Examiners recommend approval of the exception to Statewide Rule 32 to flare 350 MCFD casinghead gas from the date Exco's request was received, October 31, 2014, through January 6, 2015.

**DISCUSSION OF THE EVIDENCE**

Title 16, §3.32 of the Texas Administrative Code ("TAC") governs this Application as it relates to the utilization of gas well gas and casinghead gas produced by oil and gas wells under the jurisdiction of the Railroad Commission. Specifically, 16 TAC §3.32(h) provides that an exception to flare casinghead gas in volumes greater than fifty thousand cubic feet of natural gas per day (50 mcf) may be granted administratively for a period up to 180 days. Flaring exceptions beyond the 180 days shall be granted only in a final order signed by the Commission.

The subject wells in this application are completed in the Eagleford Formation area of South Texas. In the subject application, Exco is requesting to flare casinghead gas produced by the subject wells for a limited time until gas pipeline connections can be completed.

Exco received administrative Permit No. 16688 to flare 175 MCFD of casinghead gas beginning on April 14, 2014. The permit was extended until October 13, 2014, for a total of 180 days. The last 45 days of this period included an increased permitted volume to 350 MCFD. Exco reported there were problems with processing their paperwork, and this led to a delayed hearing request until after the permit's expiration date. Exco's request for a hearing to extend the flaring authority was received on October 31, 2014, for an eighty-five day extension of the Rule 32 exception from the permit expiration date of October 13, 2014, until pipeline connections are made. With this request, Exco seeks authority to flare 350 MCFD casinghead gas from the Traylor South ZAV Lease, Well Nos. G1H and G2H from October 13, 2014, through January 6, 2015. The exception would authorize the flaring which allowed Exco to continue producing oil until the pipeline connection was completed. Exco reported casinghead gas from the subject wells was connected to the Access MLP Operating, L.L.C. pipeline on January 6, 2015, with casinghead gas flowing to sales. Exco is no longer flaring gas from the Traylor South ZAV Lease, Well Nos. G1H and G2H.

**FINDINGS OF FACT**

1. Proper notice of this hearing was given to all parties entitled to notice at least 10 days prior to the hearing. There were no protests to the application.
2. Exco requested and was granted an administrative permit to flare 175 MCFD of casinghead gas beginning on April 14, 2014. The permit was extended until October 13, 2014, for a total of 180 days. The last 45 days of this period included an increased permitted volume to 350 MCFD.
3. On October 31, 2014, Exco requested a hearing to extend the flaring authority.

4. Exco is requesting the SWR 32 exception be granted to flare 350 MCFD for an additional eighty-five days to provide time to connect to the pipeline.
5. The exception would authorize the flaring which allowed Exco to continue producing oil until they connected to the pipeline on January 6, 2015.
6. Exco's request was received on October 31, 2014, seventeen days after their permit had expired.
7. The subject wells were connected to the Access MLP Operating, L.L.C. pipeline on January 6, 2015.

**CONCLUSIONS OF LAW**

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code § 81.051
2. Proper notice of this hearing was given to all parties entitled to notice at least 10 days prior to the hearing. 16 Tex. Admin. Code § 3.32
3. The requested exception to flare 350 MCFD casinghead gas for the subject wells for a period of sixty-eight days meets the requirements of Statewide Rule 32. 16 Tex. Admin. Code § 3.32(h)

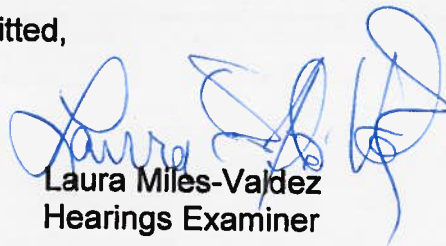
**Examiners' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission grant an exception to Statewide Rule 32 for the subject lease, as requested by Exco.

Respectfully submitted,



Karl Caldwell  
Technical Examiner



Laura Miles-Valdez  
Hearings Examiner