



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 01-0294384**

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**THE APPLICATION OF EOG RESOURCES, INC. FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE THOMPSON A UNIT, EAGLEVILLE (EAGLE FORD-1) FIELD ATASCOSA COUNTY, TEXAS**

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**HEARD BY:** Karl Caldwell – Technical Examiner  
John Dodson – Legal Examiner

**HEARING DATE:** January 16, 2015  
**CONFERENCE DATE:** March 10, 2015

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Doug Dashiell  
Jeff Perry

EOG Resources, Inc.

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

EOG Resources, Inc. (EOG) requests an exception to Statewide Rule 32 to flare casinghead gas from the Thompson A Unit in the Eagleville (Eagle Ford-1) Field, La Atascosa County, Texas. Notice was provided to offset operators surrounding the subject lease and no protests were received. The application is unopposed and the examiners recommend approval of an exception to Statewide 32 to flare casinghead gas for the time period commencing November 20, 2014 through February 28, 2015.

#### 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 application, EOG is requesting an exception to flare casinghead gas produced from the subject lease as provided by Statewide Rule 32(h).

EOG received a permanent flaring permit (Permit No. 14820), for the Thompson A Lease, to flare a maximum volume of 50 MCFD of casinghead gas effective as of July 1, 2014. On November 3, 2014, EOG received a letter from the Commission stating that the Thompson A Unit flared gas without an approved permit. EOG's witness testified that gas flare volumes exceeded 50 MCFD, the maximum volume authorized under Permit No. 14820. Gas flare volumes were greater than 50 MCFD as a result of an additional well completed on the Thompson A Unit. On November 20, 2014 the Commission received a hearing request for an exception to Statewide Rule 32 to flare volumes in excess of 200 MCFD from EOG.

EOG expects a gas plant to be commissioned by the end of February 2015, at which time, all gas from the Thompson A Unit will go to sales. EOG is requesting an exception to Statewide Rule 32 to flare a maximum volume of 200 MCFD of casinghead gas through the end of February, 2015.

#### **FINDINGS OF FACT**

1. Proper notice of this hearing was given to offset operators at least ten days prior to the date of hearing. There were no protests to the application.
2. The Thompson A Unit is located in the Eagleville (Eagle Ford-1) Field, Atascosa, Texas.
3. EOG received Permit No. 14820 for the Thompson A Unit to flare a maximum of 50 MCFD of casinghead gas on a permanent basis.
4. On November 3, 2014 EOG received a letter from the Commission that flaring occurred without a proper permit.
5. An additional well was completed on the Thompson A Unit and flare volumes exceeded 50 MCFD, the maximum volume authorized under the current permit for the Thompson A Unit.
6. On November 3, 2014 the Commission received a hearing request for an exception to Statewide Rule 32 for the Thompson A Unit.
7. A gas processing plant is in the process of being commissioned.

8. EOG is requesting an exception to Statewide Rule 32 until the end of February 2015.
9. All gas from the Thompson A Unit will go to sales after the gas plant is commission at the end of February 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.
3. The requested authority to flare casinghead gas satisfies the requirements of Title 16, Texas Administrative Code 3.32(h).

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission grant the request by EOG Resources, Inc. for an exception to Statewide Rule 32 for the Thompson A Unit. The exception is granted for a maximum volume of 200 MCFD of casinghead gas from November 3 2014, through February 28, 2015.

Respectfully submitted,



Karl Caldwell  
Technical Examiner



John Dodson  
Legal Examiner