



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 8A-0302012

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**THE APPLICATION OF E R OPERATING COMPANY FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE GOOGINS 249, WELL NO. 1H, SABLE (SAN ANDRES) FIELD, YOAKUM COUNTY, TEXAS**

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**HEARD BY:** Karl Caldwell – Technical Examiner  
Marshall Enquist– Administrative Law Judge

**HEARING DATE:** November 22, 2016  
**RECORD CLOSED:** December 20, 2016  
**CONFERENCE DATE:** February 14, 2017

**APPEARANCES:** **REPRESENTING:**  
**APPLICANT:** E R Operating Company  
Thomas “Buddy” Richter, P.E.

### EXAMINERS’ REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

E R Operating Company (“E R”) seeks an exception to Statewide Rule 32 for the Googins 249, Well No. 1H Sable (San Andres) Field, to flare up to 135 Mcf of gas per day for a period of two years. Notice was provided to the only offset operator, Endeavor Energy Resources LP. The application is unopposed and the Examiners recommend approval of a two-year exception to Statewide 32 to flare casinghead gas as requested by E R.

#### 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 MCF per day 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. E R has previously

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received an exception to Statewide Rule 32 for the Googins 249, Well No. 1H Sable (San Andres) Field (Drilling Permit No. 808057), administratively, for a period up to 180 days. E R is still unable to sell the gas and seeks an exception to Statewide Rule to flare up to 135 Mcf of gas per day for a period of two years.

Targa Midstream Services is the only gas gatherer in the area. The subject well is located approximately 4.3 miles from the nearest Targa gathering line, and a pipeline path of 4.3 miles would require right-of-way along section boundaries. Targa has informed E R that the current volume of gas produced from the subject well is uneconomical for the installation of a gathering line, which would have to include compression. Targa also informed E R that the gas processing plant is unable to take any additional gas that contains H<sub>2</sub>S. A gas analysis performed on December 15, 2016 shows the H<sub>2</sub>S concentration of gas produced from the subject well to be 16,026 ppm. E R has determined that gas reinjection is not a viable alternative to flaring, as the horsepower needed to run an engine for gas reinjection exceeds the volume of gas produced.

**FINDINGS OF FACT**

1. Proper notice of this hearing was given to the only offset operator at least ten days prior to the date of hearing. There were no protests to the application.
2. E R was previously granted an exception to Statewide Rule 32 Googins 249, Well No. 1H Sable (San Andres) Field (Drilling Permit No. 808057), administratively.
3. E R seeks an exception to Statewide Rule 32 for the Googins 249, Well No. 1H Sable (San Andres) Field, to flare up to 135 Mcf of gas per day for a period of two years.
4. Targa Midstream Services is the only gas gatherer in the area.
5. The subject well is located approximately 4.3 miles from the nearest Targa gathering line, and a pipeline path of 4.3 miles would require right-of-way along section boundaries.
6. Targa has informed E R that the current volume of gas produced from the subject well is uneconomical for the installation of a gathering line, which would have to include compression. Targa also informed E R that the gas processing plant is unable to take any additional gas that contains H<sub>2</sub>S.
7. A gas analysis performed on December 15, 2016 shows the H<sub>2</sub>S concentration of gas produced from the subject well to be 16,026 ppm.
8. E R has determined that gas reinjection is not a viable alternative to flaring, as the horsepower needed to run an engine for gas reinjection exceeds the volume of gas produced.

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9. E R agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order shall be effective on the date a Master Order relating to this Final Order is signed

**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. Title 16, Texas Administrative Code 3.32(h) provides for an exception to Statewide Rule 32.
4. Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and the agreement of the applicant, this Final Order is effective when a Master Order relating to this Final Order is signed on February 14, 2017.

**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 Googins 249, Well No. 1H Sable (San Andres) Field, to flare up to 135 Mcf of gas per day for a period of two years.

Respectfully submitted,



Karl Caldwell  
Technical Examiner



Marshall Enquist  
Hearings Examiner