

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET  
NO. 01-0302179**

**IN THE MAG (AUSTIN CHALK) FIELD,  
GONZALES COUNTY, TEXAS**

**FINAL ORDER  
GRANTING THE APPLICATION OF LACY 03, LLC FOR AN EXCEPTION TO STATEWIDE  
RULE 32 FOR FLARE GAS PERMIT FOR THE ORTS, H P -B- LEASE,  
MAG (AUSTIN CHALK) FIELD IN GONZALES COUNTY TEXAS**

The Commission finds that after statutory notice in the above-numbered docket heard on December 20, 2016, the Technical Examiner and Administrative Law Judge (collectively "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 Lacy 03, LLC is hereby granted an exception to Statewide Rule 32 for the Orts, H P -B- Lease in the Mag (Austin Chalk) Field, Gonzales County, Texas. Lacy 03, LLC is hereby authorized (Permit No. 15014) to flare up to 150 MCFD for two years from November 12, 2016 through November 12, 2018.

The authority is granted, provided all production is reported on the appropriate Commission forms. The operator shall file the Statewide Rule 32 Exception Data Sheet and, shall file at the same time, the appropriate Commission required administrative Statewide Rule 32 Exception gas flaring fee for the facility.

It is further **ORDERED** by the Commission that this order shall not be final and effective until 25 days after the Commission's order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). If a timely motion for rehearing of an application is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case prior to its being overruled by operation of law is hereby extended until 90 days from the date Commission Order is signed.

Done this 21<sup>st</sup> day of March, 2017.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
Hearings Division's Unprotested Master Order  
dated March 21, 2017)**