

**RAILROAD COMMISSION OF TEXAS  
HEARINGS DIVISION**

**OIL AND GAS DOCKET  
NO. 01-0303350**

**IN THE EAGLEVILLE (EAGLE FORD-1)  
FIELD, FRIO COUNTY, TEXAS**

**FINAL ORDER**

**APPROVING THE APPLICATION OF COMSTOCK OIL & GAS, LP FOR AN  
EXCEPTION TO STATEWIDE RULE 32, SCHORP "A" LEASE, WELL NO. 1H,  
EAGLEVILLE (EAGLE FORD-1) FIELD, FRIO COUNTY, TEXAS**

The Commission finds that after statutory notice in the above-numerated docket heard on March 10, 2017, the presiding 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 submitted by Comstock Oil & Gas, LP 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, and any exceptions and replies thereto, 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 Comstock Oil & Gas, LP is hereby granted an exception to Statewide Rule 32 for its Schorp "A" Lease, Well No. 1H, in the Eagleville (Eagle Ford-1) Field, Frio County, Texas. Comstock Oil & Gas LP is authorized to flare up to 200 thousand cubic feet of casinghead gas per day from April 23, 2017, through April 22, 2019, from its Schorp "A" Lease, Well No. 1H.

This 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 well.

Done this 4<sup>th</sup> day of April, 2017.

**RAILROAD COMMISSION OF TEXAS**

**(Order approved and signatures affixed by  
Hearings Divisions' Unprotested Master  
Order dated April 4, 2017)**

**Oil and Gas Docket No.01-0303350:** The Application of Comstock Oil & Gas, Lp for an Exception to Statewide Rule 32, Schorp A Lease, Well No. 1H, Eagleville (Eagle Ford-1) Field, Frio County, Texas

EXAMINERS: Richard Eyster, P.G. - Technical Examiner

Clayton J. Hoover - Administrative Law Judge

BRIEF DESCRIPTION OF THE CASE: Comstock Oil & Gas, LP (Comstock) seeks an exception to Statewide Rule 32 [16 Tex. Admin. Code 3.32] to flare gas from its Schorp A Lease, Well No. 1H, in the Eagleville (Eagle Ford-1) Field, Frio County, Texas. Comstock seeks authority to flare 200 thousand cubic feet (MCF) per day of casinghead gas for a period of two years. Comstock asserts it is not economical to construct and operate a pipeline to sell gas. Comstock originally requested a permanent exception to flare gas, but stated at the hearing that it would not consider two year authority to be adverse. The nearest gas pipeline is 0.6 miles from the Schorp A Lease Well No. 1H wellhead. The gas pipeline crosses the horizontal lateral near its midpoint on the Schorp AA@ Lease. Comstock concludes that sales of gas produced from the well would not be economical given the project costs (gathering line construction, gas treatment and compression, and sales line connection) and the current market conditions for natural gas

Based on its analysis, the well will produce \$43,940 in net revenue from gas sales, and incur a fixed cost of \$295,040 for pipeline and facility construction, and operating costs of \$468,000 over six and a half years. Comstock concludes that the total undiscounted revenue for the construction of a pipeline and associated facilities to sell gas from the Schorp A Lease Well No. 1H would be a negative \$251,100. Therefore, Comstock seeks an exception to flare casinghead gas so that it may continue to produce oil from the well.

EXAMINERS RECOMMEND: Approve the exception