



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL & GAS DOCKET NO. 8A-0304535**

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**THE APPLICATION OF HADAWAY CONS & ENGINEERING LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE YADA YADA 420 LEASE (70490), WELL NO. 3H, AND THE DEL BOCA VISTA 372 LEASE (70526), WELL NO. 5H, PLATANG (SAN ANDRES) FIELD, YOAKUM COUNTY, TEXAS**

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**HEARD BY:** Paul Dubois – Technical Examiner  
Clayton J. Hoover – Administrative Law Judge

**HEARING DATE:** June 7, 2017

**CONFERENCE DATE:** August 1, 2017

**APPEARANCES:**

**APPLICANT:**

Steve Towns

**REPRESENTING:**

Hadaway Cons & Engineering LLC

**EXAMINERS' REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Pursuant to Statewide Rule 32 (16 Tex. Admin. Code §3.32) Hadaway Cons & Engineering LLC ("Hadaway") seeks exceptions to flare gas from the Yada Yada 420 Lease (No. 70490) Well No. 3H and the Del Boca Vista 372 Lease (No. 70526) Well No. 5H in the Platang (San Andres) Field, Yoakum County, Texas. Hadaway is exploring the feasibility of building pipeline connections to bring casinghead gas to market with a midstream firm in the area. In the meantime, Hadaway seeks two year exceptions that will allow it to flare up to 350 thousand cubic feet ("mcf") gas per day from the Yada Yada 420 Lease Well No. 3 and 70 mcf/day from its Del Boca Vista 372 Lease Well No. 5. The application was not protested. The Technical Examiner and Administrative Law Judge ("Examiners") recommend Hadaway's application be granted.

**FINDINGS OF FACT**

1. Notice of this hearing was given to all parties entitled to notice at least ten days prior to the date of the hearing.

2. Statewide Rule 32 governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission.
3. Because Hadaway requests an exception for more than 180 days and to flare more than 50 mcf of casinghead gas per day, the procedure to address Hadaway's request for an exception is through a hearing resulting in a final order signed by the Commission.
4. The Yada Yada 420 Lease Well No. 3H was completed on May 13, 2016.
  - a. On initial potential testing the well produced 318 barrels of oil and 146 thousand cubic feet of gas.
  - b. The well currently produces about 200 mcf gas per day.
  - c. The nearest high pressure gas sales pipeline is about 5 to 7 miles from the well.
  - d. Hadaway obtained administrative authority to flare up to 350 mcf gas per day from July 1, 2016 through December 28, 2016.
  - e. On April 5 Hadaway requested a hearing to extend the flaring authority.
5. The Del Boca Vista 372 Lease Well No. 3H was completed on September 8, 2016.
  - a. On initial potential testing the well produced 153 barrels of oil and 102 thousand cubic feet of gas.
  - b. The well currently produces about 70 mcf gas per day.
  - c. The nearest high pressure gas sales pipeline is about 14 to 17 miles from the well.
  - d. Hadaway obtained administrative authority to flare up to 350 mcf gas per day from July 1, 2016 through December 28, 2016.
  - e. On April 5 Hadaway requested a hearing to extend the flaring authority.
6. Hadaway is working with Stakeholder Midstream to construct gas pipeline infrastructure to bring the produced gas to market.
7. Stakeholder Midstream anticipates the project will require two years to complete.
8. Without continued authority to flare gas, Hadaway will be required to shut-in the two wells until the pipeline infrastructure is complete.

9. Hadaway requests two-year authority to continue to flare gas from the Yada Yada 420 Lease Well No. 3H at a rate of 350 mcf gas per day, and from the Del Boca Vista 372 Lease Well No. 5H at a rate of 70 mcf gas per day.
10. At the hearing, the applicant agreed on the record that a Final Order in this case is to be effective when the Master Order is signed.

### **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. All notice requirements have been satisfied. 16 Tex. Admin. Code §§1.43 and 1.45.
3. Approval of the application will prevent waste and protect correlative rights.
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 August 1, 2017.

### **EXAMINERS' RECOMMENDATION**

The Examiners recommend approval of the application of Hadaway Cons & Engineering LLC for exceptions to Statewide Rule 32 for the Yada Yada 420 Lease Well No. 3H and the Del Boca Vista 372 Lease Well No. 5H.

Respectfully submitted,



Paul Dubois  
Technical Examiner



Clayton J. Hoover  
Administrative Law Judge