RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL AND GAS DOCKET NO. 02-0308791

APPLICATION OF ENCANA OIL & GAS (USA) INC. FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS FACILITIES, EAGLEVILLE (EAGLE FORD-1), EAGLEVILLE (EAGLE FORD-2), AND SUGARKANE (EAGLE FORD) FIELDS, KARNES COUNTY, TEXAS

FINAL ORDER

The Commission finds that after statutory notice in the above-numbered docket heard on April 3, 2018, the presiding Administrative Law Judge and Technical Examiner (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 Encana Oil & Gas (USA) Inc is hereby granted an exception to Statewide Rule 32 (16 Tex. Admin. Code §3.32) for nine (9) flare points in the Eagleville (Eagle Ford-1), Eagleville (Eagle Ford-2), and Sugarkane (Eagle Ford) Fields in Karnes County, Texas. Attachment A identifies the nine (9) flare points and monthly flare volumes that Encana Oil & Gas (USA) Inc., is authorized to flare pursuant to this Final Order. This authority is granted for a period of two years, from January 31, 2018 through January 30, 2020.

The authority is granted, provided all production is reported on the appropriate Commission forms. Encana Oil & Gas (USA) Inc 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 all wells.

Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and by agreement of the Parties in writing or on the record, the parties have waived right to file a Motion for Rehearing and this Final Order is effective on the date the Master Order relating to the Final Order is signed.

Done this 22nd day of May 2018.

RAILROAD COMMISSION OF TEXAS

(Order approved and signatures affixed by Hearings Division's Unprotested Master Order dated May 22, 2018)

ATTACHMENT A - FLARE AUTHORITY

Group 1: Docket No. 02-0308791: Two Years from January 31, 2018 to January 30, 2020

| Lease/Facility | Flare Permit No. | Surface Commingle Permit No. | Flare Rate - Monthly (MCF/mo.) | Flare Rate - Average Daily (MCF/day) |
|---------------------------|------------------------|------------------------------------|--------------------------------------|--|
| Dickson-Allen/Patsy Clark | 24939 | 02-5465 | 45,000 | 1,500 |
| Patton Trust-South | 24937 | 02-5469 | 45,000 | 1,500 |
| Gramm/Richter | 24929 | 02-5470 | 36,000 | 1,200 |
| Patton Trust-North | 24934 | 02-5468 | 45,000 | 1,500 |
| Love Crews Central | 24933 | 02-5512 | 30,000 | 1,000 |
| Red Crest Central | 24936 | 02-5514 | 25,000 | 833 |
| Hailey McAlister Central | 24930 | 02-5511 | 45,000 | 1,500 |
| Zunker Central | 24938 | 02-5474 | 15,000 | 500 |
| Kotara-Ridley Central | 24931 | 02-5678 | 15,000 | 500 |