



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0308618

APPLICATION OF ATLAS EAGLE FORD OPERATING COMPANY, LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS FACILITIES, EAGLEVILLE (EAGLE FORD-1) FIELD, ATASCOSA COUNTY, TEXAS

OIL & GAS DOCKET NO. 01-0309878

APPLICATION OF ATLAS EAGLE FORD OPERATING COMPANY, LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS FACILITIES, EAGLEVILLE (EAGLE FORD-1) FIELD, ATASCOSA COUNTY, TEXAS

OIL & GAS DOCKET NO. 01-0309879

APPLICATION OF ATLAS EAGLE FORD OPERATING COMPANY, LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS FACILITIES, EAGLEVILLE (EAGLE FORD-1) FIELD, ATASCOSA COUNTY, TEXAS

OIL & GAS DOCKET NO. 01-0309880

APPLICATION OF ATLAS EAGLE FORD OPERATING COMPANY, LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE MILDRED UNIT (PERMIT NO. 32342), EAGLEVILLE (EAGLE FORD-1) FIELD, ATASCOSA COUNTY, TEXAS

OIL & GAS DOCKET NO. 01-0309881

APPLICATION OF ATLAS EAGLE FORD OPERATING COMPANY, LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE HARRIS UNIT (PERMIT NO. 32328), EAGLEVILLE (EAGLE FORD-1) FIELD, ATASCOSA COUNTY, TEXAS

OIL & GAS DOCKET NO. 01-0309883

APPLICATION OF ATLAS EAGLE FORD OPERATING COMPANY, LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE KASPER UNIT (PERMIT NO. 32331), EAGLEVILLE (EAGLE FORD-1) FIELD, ATASCOSA COUNTY, TEXAS

OIL & GAS DOCKET NO. 01-0309884

APPLICATION OF ATLAS EAGLE FORD OPERATING COMPANY, LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE MGS UNIT (PERMIT NO. 32334), EAGLEVILLE (EAGLE FORD-1) FIELD, ATASCOSA COUNTY, TEXAS

OIL & GAS DOCKET NO. 01-0309886

APPLICATION OF ATLAS EAGLE FORD OPERATING COMPANY, LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE PANCHO EAST UNIT (PERMIT NO. 32335), EAGLEVILLE (EAGLE FORD-1) FIELD, ATASCOSA COUNTY, TEXAS

OIL & GAS DOCKET No. 01-0309888

APPLICATION OF ATLAS EAGLE FORD OPERATING COMPANY, LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE PANCHO WEST UNIT (PERMIT NO. 32336), EAGLEVILLE (EAGLE FORD-1) FIELD, ATASCOSA COUNTY, TEXAS

HEARD BY: Peggy Laird, P.G. – Technical Examiner
Kristi M. Reeve – Administrative Law Judge

HEARING DATE: April 24, 2018

CONFERENCE DATE: August 21, 2018

APPEARANCES: **REPRESENTING:**

APPLICANT:

Olga Kobzar, Attorney
Kerry Pollard

Atlas Eagle Ford Operating Company, LLC

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Atlas Eagle Ford Operating Company, LLC ("Atlas") requests exceptions to Statewide Rule 32 to flare casinghead gas from various units in the Eagleville (Eagle Ford-1) Field, Atascosa County, Texas. The captioned dockets were consolidated for this hearing.

All units were previously granted flaring authority by administrative orders, and Atlas needs to continue the authority, as conditions remain the same for all the units. There is low volume of gas flared because Atlas sells some of the gas and uses some for their lease activities. All gas flared has hydrogen sulfide ("H₂S") content. There continue to be operational issues with the Tilden and Regency plants, compressor issues, and line problems. To prevent shutting in the wells, and to alleviate the administrative burden of repetitive filing of paperwork, Atlas requests 2-year exceptions for the intermittent flaring of low volumes of gas. Atlas stated that 85 additional wells are planned for the subject leases which may also require flaring and would need to be permitted.

Notice was provided to offset operators in the fields surrounding the flare points and no protests were received. The applications are unopposed and the Technical Examiner and Administrative Law Judge (*collectively* "Examiners") recommend granting an exception to Statewide 32 to flare casinghead gas for each of the applications.

DISCUSSION OF THE EVIDENCE

Statewide Rule 32 governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission. Atlas seeks relief in the captioned docket pursuant to Statewide Rule 32(f)(2)(D), as follows:

The commission or the commission's delegate may administratively grant or renew an exception to the requirements of limitations of this subsection subject to the requirements of subsection (h)... if the operator of a well or production facility presents information to show the necessity for the release...

Statewide Rule 32(h)(4) states:

Requests for exceptions for more than 180-days and for volumes greater than 50 mcf of hydrocarbon gas per day shall be granted only in a final order signed by the commission.

Since Atlas requests an exception for more than 180 days and to flare more than 50 mcf of casinghead gas per day, the procedure to address Atlas' request for an exception is through a hearing resulting in a final order signed by the Commission. The Hearings Division issued a Notice of Hearing to the Service List for each captioned docket on March 23, 2018. A public hearing was held on April 24, 2018. Atlas is seeking continued flaring authority for each captioned docket for the units and requested gas volumes outlined in Attachment A.

Atlas agreed on the record, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), the Final Order in this case shall be final and effective on the date a Master Order relating to this Final Order is signed.

The Examiners recommend the exceptions be granted.

FINDINGS OF FACT

1. Proper notice of these hearings was given to all parties entitled to notice at least ten days prior to the date of hearing. There were no protests to the applications.
2. By administrative permits, the subject leases (i.e., units) outlined in the captioned dockets were granted authority to flare casinghead gas by the Railroad Commission. The administrative permit conditions are outlined in Attachment A.
3. On December 21, 2017, Atlas requested a hearing to obtain continued authority to flare gas from the subject leases.
4. Atlas is requesting the following authority:

Group 1, Oil & Gas Docket No. 01-0308618

- Atascosa 601 Unit (Permit No. 32322), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 248 thousand cubic feet per day ("MCF/Day") of casinghead gas from February 14, 2018 through February 13, 2020.
- Cap Unit (Permit No. 32323), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 1072 MCF/Day of casinghead gas from January 27, 2018 through January 26, 2020.
- Dobie Martin Unit (Permit No. 32325), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 854 MCF/Day of casinghead gas from February 14, 2018 through February 13, 2020.

- Grace Unit (Permit No. 32327), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 662 MCF/Day of casinghead gas from February 14, 2018 through February 13, 2020.
- MAR Ranch (Permit No. 32332), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 1,810 MCF/Day of casinghead gas from January 29, 2018 through January 28, 2020.
- Papa Unit (Permit No. 32337), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 1,265 MCF/Day of casinghead gas from December 27, 2017 through December 26, 2019.
- Tiro Unit (Permit No. 32340), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 1,240 MCF/Day of casinghead gas from February 14, 2018 through February 13, 2020.
- Worden Unit (Permit No. 32341), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 463 MCF/Day of casinghead gas from February 14, 2018 through February 13, 2020.

Group 2, Oil & Gas Docket No. 01-0309878

- Caty Unit (Permit No. 32324), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 1,150 MCF/Day of casinghead gas from February 14, 2018 through February 13, 2020.
- Jason Unit (Permit No. 32329), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 928 MCF/Day of casinghead gas from January 20, 2018 through January 19, 2020.
- RNG Unit (Permit No. 32338), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 855 MCF/Day of casinghead gas from February 14, 2018 through February 13, 2020.
- Skeeter Unit (Permit No. 32339), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 1,112 MCF/Day of casinghead gas from January 20, 2018 through January 19, 2020.

Group 3, Oil & Gas Docket No. 01-0309879

- F Crain Unit (Permit No. 32326), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 809 MCF/Day of casinghead gas from February 14, 2018 through February 13, 2020.
- Jimmy Unit (Permit No. 32330), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 738 MCF/Day of casinghead gas from February 14, 2018 through February 13, 2020.
- Marietta Unit (Permit No. 32333), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 1,093 MCF/Day of casinghead gas from February 14, 2018

through February 13, 2020.

- Nina Unit (Permit No. 32343), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 1,488 MCF/Day of casinghead gas from February 14, 2018 through February 13, 2020.

Group 4, Oil & Gas Docket No. 01-0309880

- Mildred Unit (Permit No. 32342), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 653 MCF/Day of casinghead gas from February 14, 2018 through February 13, 2020.

Group 5, Oil & Gas Docket No. 01-0309881

- Harris Unit (Permit No. 32328), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 194 MCF/Day of casinghead gas from February 7, 2018 through February 6, 2020.

Group 6, Oil & Gas Docket No. 01-0309883

- Kasper Unit (Permit No. 32331), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 1,142 MCF/Day of casinghead gas from December 27, 2017 through December 26, 2019.

Group 7, Oil & Gas Docket No. 01-0309884

- MGS Unit (Permit No. 32334), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 682 MCF/Day of casinghead gas from February 14, 2018 through February 13, 2020.

Group 8, Oil & Gas Docket No. 01-0309886

- Pancho East Unit (Permit No. 32335), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 450 MCF/Day of casinghead gas from February 14, 2018 through February 13, 2020.

Group 9, Oil & Gas Docket No. 01-0309888

- Pancho West Unit (Permit No. 32336), Eagleville (Eagle Ford-1) Field, Atascosa County, Texas, 532 MCF/Day of casinghead gas from February 14, 2018 through February 13, 2020.

5. At the hearing, Atlas agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), the Final Order in this case shall be final and effective on the date a Master Order relating to this Final Order is signed.

CONCLUSIONS OF LAW

1. All things have occurred and been accomplished to give the Commission jurisdiction in this matter. Tex. Nat. Res. Code § 81.051.

2. All notice requirements have been satisfied. 16 Tex. Admin. Code § 1.42.
3. The requested authority to flare casinghead gas satisfies the requirements of Statewide Rule 32. 16 Tex. Admin. Code § 3.32 (h).
4. Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and the agreement of the applicant, the Final Order in this case is final and effective when a Master Order relating to the Final Order is signed.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission grant the exceptions to Statewide Rule 32 for the subject flare points, as requested by Atlas Eagle Ford Operating Company, LLC.

Respectfully submitted,



Peggy Laird, P.G.
Technical Examiner



Kristi M. Reeve
Administrative Law Judge

ATTACHMENT A

Group 1, Oil & Gas Docket No. 01-0308618				
Unit Name	Permit Number	Permit Effective Date	Permit Expiration Date	Volume Requested
				MCF/Day
Atascosa 601 Unit	32322	2/14/2018	2/13/2020	248
Cap Unit	32323	1/27/2018	1/26/2020	1,072
Dobie Martin Unit	32325	2/14/2018	2/13/2020	854
Grace Unit	32327	2/14/2018	2/13/2020	662
MAR Ranch	32332	1/29/2018	1/28/2020	1,810
Papa Unit	32337	12/27/2017	12/26/2019	1,265
Tiro Unit	32340	2/14/2018	2/13/2020	1,240
Worden Unit	32341	2/14/2018	2/13/2020	463
Group 2, Oil & Gas Docket No. 01-0309878				
Unit Name	Permit Number	Permit Effective Date	Permit Expiration Date	Volume Requested
				MCF/Day
Caty Unit	32324	2/14/2018	2/13/2020	1,150
Jason Unit	32329	1/20/2018	1/19/2020	928
RNG Unit	32338	2/14/2018	2/13/2020	855
Skeeter Unit	32339	1/20/2018	1/19/2020	1,112
Group 3, Oil & Gas Docket No. 01-0309879				
Unit Name	Permit Number	Permit Effective Date	Permit Expiration Date	Volume Requested
				MCF/Day
F Crain Unit	32326	2/14/2018	2/13/2020	809
Jimmy Unit	32330	2/14/2018	2/13/2020	738
Marietta Unit	32333	2/14/2018	2/13/2020	1,093
Nina Unit	32343	2/14/2018	2/13/2020	1,488
Group 4, Oil & Gas Docket No. 01-0309880				
Unit Name	Permit Number	Permit Effective Date	Permit Expiration Date	Volume Requested
				MCF/Day
Mildred Unit	32342	2/14/2018	2/13/2020	653
Group 5, Oil & Gas Docket No. 01-0309881				
Unit Name	Permit Number	Permit Effective Date	Permit Expiration Date	Volume Requested
				MCF/Day
Harris Unit	32328	2/7/2018	2/6/2020	194

Group 6, Oil & Gas Docket No. 01-0309883				
Unit Name	Permit Number	Permit Effective Date	Permit Expiration Date	Volume Requested
				MCF/Day
Kasper Unit	32331	12/27/2017	12/26/2019	1,142
Group 7, Oil & Gas Docket No. 01-0309884				
Unit Name	Permit Number	Permit Effective Date	Permit Expiration Date	Volume Requested
				MCF/Day
MGS Unit	32334	2/14/2018	2/13/2020	682
Group 8, Oil & Gas Docket No. 01-0309886				
Unit Name	Permit Number	Permit Effective Date	Permit Expiration Date	Volume Requested
				MCF/Day
Pancho East Unit	32335	2/14/2018	2/13/2020	450
Group 9, Oil & Gas Docket No. 01-0309888				
Unit Name	Permit Number	Permit Effective Date	Permit Expiration Date	Volume Requested
				MCF/Day
Pancho West Unit	32336	2/14/2018	2/13/2020	532