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DANA AVANT LEWIS
INTERIM DIRECTOR

RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0313742

APPLICATION OF SEA EAGLE FORD, LLC (760785) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE SHANNON EFS (16859) LEASE, EAGLEVILLE (EAGLE FORD-1) FIELD, MCMULLEN COUNTY, TEXAS

HEARD BY: Petar Buva – Technical Examiner
Lynn Latombe – Administrative Law Judge

HEARING DATE: October 11, 2018

CONFERENCE DATE: October 30, 2018

APPEARANCES: **REPRESENTING:**

APPLICANT: SEA Eagle Ford, LLC

Dorsey Twindell (Consultant)
Frank J. Muser (Engineer)
Doug Storey (Regulatory Advisor)

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

SEA Eagle Ford, LLC (760785) is requesting a Statewide Rule 32 exception for the Shannon EFS (16859) Lease, Well Nos. 1H, 2H, 3H, 4H, 5H, 6UH, and 7UH, in the Eagleville (Eagle Ford-1) Field, McMullen County, Texas. Notice of the application was provided to offset operators in the field and no protest to the application was received. The Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend approval of a Statewide Rule 32 exception for the flare point associated with the Shannon EFS (16859) Lease as requested by SEA Eagle Ford, LLC ("SEA").

DISCUSSION OF THE EVIDENCE

Statewide Rule 32 governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission. Specifically, Statewide Rule 32(j) *Opportunity for hearing* states that an operator may request a hearing on any application for an exception, or exception renewal required by this section.

SEA requests an exception to Statewide Rule 32 for its flare located on the Shannon EFS (16859) Lease. SEA requests permission to flare a maximum of 1,000 thousand cubic feet (MCF) per day of casinghead gas for up to 2 years from June 23, 2018 to June 23, 2020.

SEA filed a hearing request on June 23, 2018. The prior administrative flaring exception, Oil and Gas Docket No. 01-0300289, authorized flaring for Well Nos. 1H, 2H, 3H, 4H, 5H, 6UH, and 7UH from April 15, 2016 through April 14, 2018, of 234 MCF per day.

SEA requests flaring during routine maintenance or sales line unavailability.

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

FINDINGS OF FACT

1. Notice of this hearing was given to offset operators in the subject field at least ten days prior to the date of hearing. There were no protests to the application.
2. On June 23, 2018, the Commission received a hearing request from SEA for an exception to Statewide Rule 32 for the Shannon EFS (16859) Lease.
3. SEA requests an exception to Statewide Rule 32 in the application for a period of two years from June 23, 2018 to June 23, 2020 to flare a maximum of 1,000 MCF per day of casinghead gas.
4. The Shannon EFS (16859) Lease was flaring under the prior administrative flaring exception, Oil and Gas Docket No. 01-0300289 from April 15, 2016 through April 14, 2018.
5. SEA agreed in writing or on the record that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order can be final and effective on the date a Master Order relating to this Final Order is signed.

CONCLUSIONS OF LAW


1. Notice was issued as required by applicable statutes and commission rules.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Title 16, Texas Administrative Code Section 3.32(h)(4) provides for an exception for more than 180 days and for volumes greater than 50 MCF per day.
4. 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 Final Order can be final and effective when a Master Order relating to this Final Order is signed.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission grant an exception to Statewide Rule 32 from June 23, 2018 to June 23, 2020 of maximum 1,000 MCF per day for the Shannon EFS (16859) Lease, Well Nos. 1H, 2H, 3H, 4H, 5H, 6UH, and 7UH, in the Eagleville (Eagle Ford-1) Field, McMullen County, Texas as requested by SEA Eagle Ford, LLC.

Respectfully submitted,


Petar Buva
Technical Examiner


Lynn Latombe
Administrative Law Judge