



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0313746

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**APPLICATION OF SEA EAGLE FORD, LLC (760785) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE HOSKINS EFS (16335) LEASE, EAGLEVILLE (EAGLE FORD-1) FIELD, MCMULLEN COUNTY, TEXAS**

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**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 Hoskins EFS (16335) Lease, Well Nos. 1H, 2H, 3H, 4H, 5H, 6H, 8H, 9H, 10H, 11H, 12h, and 14H 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 Hoskins EFS (16335) 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 Hoskins EFS (16335) Lease. SEA requests permission to flare a maximum of 800 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 Nos. 01-0299637, 01-0300288, and 01-0300298, authorized flaring for the Hoskins EFS (16335) from April 15, 2016 through April 14, 2018, of 681 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 Hoskins EFS (16335) 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 800 MCF per day of casinghead gas.
4. The Hoskins EFS (16335) Lease was flaring under the prior administrative flaring exception, Oil and Gas Docket Nos. 01-0299637, 01-0300288, and 01-0300298 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 800 MCF per day for the Hoskins EFS (16335) Lease, Well Nos. 1H, 2H, 3H, 4H, 5H, 6H, 8H, 9H, 10H, 11H, 12h, and 14H 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