



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0312563

APPLICATION OF SEA EAGLE FORD, LLC (760785) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE RED RANCH EFS (18977) LEASE, BRISCOERANCH (EAGLE FORD) FIELD, DIMMIT COUNTY, TEXAS

HEARD BY: Petar Buva – Technical Examiner
Jennifer N. Cook – Administrative Law Judge

HEARING DATE: October 3, 2018

CONFERENCE DATE: October 30, 2018

APPEARANCES: **REPRESENTING:**

APPLICANT: SEA Eagle Ford, LLC

Frank J. Muser (Engineer)

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

SEA Eagle Ford, LLC (760785) is requesting a Statewide Rule 32 exception for the Red Ranch EFS (18977) Lease, in the Briscoe Ranch (Eagle Ford) Field, Dimmit 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 Red Ranch EFS (18977) 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 Red Ranch EFS (18977) Lease. SEA requests permission to flare a maximum of 1,000 thousand cubic feet (MCF) per month of casinghead gas for up to 2 years from June 26, 2018 to June 26, 2020.

SEA filed a hearing request on June 26, 2018. The prior administrative flaring exception permit No. 29922 that authorized flaring for the Red Ranch EFS (18977) Lease at the maximum of 1,900 MCF per day, expired on May 30, 2018.

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 26, 2018, the Commission received a hearing request from SEA for an exception to Statewide Rule 32 for the Red Ranch EFS (18977) Lease.
3. SEA requests an exception to Statewide Rule 32 in the application for a period of two years from June 26, 2018 to June 26, 2020 to flare a maximum of 1,000 MCF per day of casinghead gas.
4. The Red Ranch EFS (18977) Lease was flaring under the permit No. 29922 that expired on May 30, 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 26, 2018 to June 26, 2020 of maximum 1,000 MCF per day for the Red Ranch EFS (18977) Lease, in the Briscoe Ranch (Eagle Ford) Field, Dimmit County, Texas as requested by SEA Eagle Ford, LLC.

Respectfully submitted,



Petar Buva
Technical Examiner



Jennifer N. Cook
Administrative Law Judge