

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 8A-0315200

APPLICATION OF VERDUGO-PABLO ENERGY, LLC (884574) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE MICHAEL LEASE (DRILLING PERMIT NO. 837068) AND THE FREDO LEASE (DRILLING PERMIT NO. 837032), SABLE (SAN ANDRES) FIELD, YOAKUM COUNTY, TEXAS

FINAL ORDER

The Commission finds that after statutory notice in the above-numbered docket heard on November 19, 2018, the presiding Technical Examiner and Administrative Law Judge (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 and 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 Verdugo-Pablo Energy, LLC (Operator No. 884574) is hereby granted an exception to Statewide Rule 32 for the Michael Lease/ Fredo Lease flare point (Flare Permit No. 35364), to flare a maximum of 1,500 Mcfd of casinghead gas, effective October 12, 2018, to October 12, 2020. The authority is granted, provided all production is reported on the appropriate Commission forms. The operator 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 each flare point.

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 final and effective on the date the Master Order relating to the Final Order is signed.**

Done this 23rd day of January 2019.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed
by Hearings Divisions' Unprotested
Master Order dated January 23, 2019)**