



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0316039

APPLICATION OF TRINITY OPERATING (USG), LLC FOR EXCEPTIONS TO STATEWIDE RULE 32 TO FLARE GAS FROM TWENTY-ONE FLARE POINTS IN THE EAGLEVILLE (EAGLE FORD-1) FIELD, LA SALLE AND MCMULLEN COUNTIES, TEXAS

HEARD BY: Richard Eyster, P. G. -Technical Examiner
Lynn Latombe - Administrative Law Judge

HEARING DATE: January 7, 2019

APPEARANCES:

Dale Miller

Trinity Operating (USG), LLC

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Trinity Operating (USG), LLC ("Trinity") requests exceptions Statewide Rule 32 (16 Tex. Admin. Code § 3.32) to flare casinghead gas ("gas") from the twenty-one flare points listed in Appendix A in the Eagleville (Eagle Ford-1) Field in La Salle and McMullen Counties, Texas

DISCUSSION OF THE EVIDENCE

Trinity requests an exception to flare gas from the twenty-one flare points listed in Appendix A in the Eagleville (Eagle Ford-1) Field in La Salle and McMullen Counties, Texas. Generally, Statewide Rule 32 governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission. All of the wells feeding into the subject flare points are connected to gas sales lines, and Trinity sells most of the gas produced from these wells. However, Trinity contends there is an ongoing need for intermittent flaring from these facilities due to system upset events, maintenance, or

pipeline capacity issues. In addition, the subject wells produce gas that contains hydrogen sulfide. Absent continued authority to flare gas on an emergency basis, Trinity would have to either file exception requests on an as-needed basis. In the alternative, Trinity would have to cut production of all hydrocarbon streams until the intermittent issue was resolved.

Comstock Oil & Gas, LP (Operator Number 170040) had obtained flaring authority for the 21 flare points through Final Orders issued by the Commission, which was then obtained by Trinity, effective September 1, 2018. The table shown in Appendix A identifies the 21 flare points and other flare point and permit information. The table also indicates the requested daily volume that Trinity seeks for an additional two years. The application is not protested and the Technical Examiner and the Administrative Law Judge (collectively the Examiners) recommend the exception be granted.

FINDINGS OF FACT

1. Notice of this hearing was given to all parties entitled to notice at least ten days prior to the date of the hearing.
2. The 21 flare points listed in Appendix A are located in La Salle and McMullen Counties. The wells that are connected to the subject flare points produce oil and casinghead gas from the Eagleville (Eagle Ford-1) Formation.
3. All of the wells feeding into the subject flare points are connected to gas sales lines, and Trinity sells most of the gas produced from these wells.
4. There is an ongoing need for intermittent flaring from these facilities due to system upset events, maintenance, or pipeline capacity issues.
5. Trinity has received authority to flare gas through administrative applications, effective September 1, 2018, which expire on February 28, 2019.
6. Trinity has utilized the maximum production rate over the past years daily volumes on this request to make sure they are always in compliance.
7. Trinity requests continued authority to flare gas on an emergency basis for a period of two years.
8. The requested flaring authority will ease the administrative burden on both Trinity and the Railroad Commission staff.
9. Trinity contends that without continued flaring authority the wells would have to be shut in, possibly causing waste.

| APPENDIX A | | | | | | | | |
|------------------|----------------------------------|-----------|--------------|-------------------------------|-------------------|-----------------|-------------------------|--|
| Flare Permit No. | Commin- gled Permit Number | Lease No. | Lease Name | Flare Point Name | Permit Start Date | Permit End Date | Max. Flare Volume (Mcf) | Well Numbers |
| 16652 | 5399 | 15398 | Carlson "A" | Carlson/Donnell TB Flare Pt 1 | 3/1/2019 | 2/28/2021 | 688 | 1H, 2H, 3H |
| | | 15846 | Carlson "B" | | | | | 1H, 2H, 3H |
| | | 15994 | Carlson "C" | | | | | 1H, 2H, 3H |
| | | 15645 | Donnell "A" | | | | | 1H, 2H, 3H |
| | | 15847 | Donnell "B" | | | | | 1H, 2H, 3H |
| | | 15995 | Donnell "C" | | | | | 1H, 2H, 3H |
| 16653 | 5399 | 15398 | Carlson "A" | Carlson/Donnell TB Flare Pt 2 | 3/1/2019 | 2/28/2021 | 823 | 1H, 2H, 3H |
| | | 15994 | Carlson "C" | | | | | 1H, 2H, 3H |
| | | 15645 | Donnell "A" | | | | | 1H, 2H, 3H |
| | | 15995 | Donnell "C" | | | | | 1H, 2H, 3H |
| 16525 | 5435 | 15834 | Cortez "A" | Cortez TB Flare Pt 1 | 3/1/2019 | 2/28/2021 | 1,085 | 1H,2H, 3H, 4H, 5H, 6H |
| | | 15832 | Cortez "B" | | | | | 1H,2H, 3H, 4H, 5H, 6H |
| | | 16608 | Cortez "C" | | | | | 1H, 2H, 3H, 4H |
| | | 16610 | Cortez "D" | | | | | 1H, 2H, 3H, 4H |
| 16524 | 5597 | 16800 | Cortez "E" | Cortez North TB | 3/1/2019 | 2/28/2021 | 1,035 | 1H, 2H, 3H, 4H |
| | | 16804 | Cortez "F" | | | | | 1H, 2H |
| | | 16812 | Cortez "G" | | | | | 1H, 2H, 3H |
| 16650 | -- | 15518 | Cutter Creek | Cutter Creek TB Flare Pt 1 | 3/1/2019 | 2/28/2021 | 473 | 1H,2H, 3H, 4H, 5H, 6H, 7H, 8H, 9H, 10H, 11H, 12H, 13H, 14H |

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|-------|------|-------|---------------------|------------------------------|----------|-----------|-------|---|
| 16651 | -- | 15518 | Cutter Creek | Cutter Creek TB Flare Pt 2 | 3/1/2019 | 2/28/2021 | 319 | 1H, 2H, 3H, 4H, 5H, 6H, 7H, 8H, 9H, 10H, 11H, 12H, 13H, 14H |
| 16657 | 5571 | 15520 | Forrest Wheeler | Forrest Wheeler TB | 3/1/2019 | 2/28/2021 | 190 | 1H |
| | | 16678 | Forrest Wheeler "A" | | | | | 1H |
| | | 17204 | Forrest Wheeler "B" | | | | | 1H |
| 16656 | 5652 | 16832 | Forrest Wheeler "C" | Forrest Wheeler South TB | 3/1/2019 | 2/28/2021 | 970 | 1H, 2H |
| | | 17218 | Forrest Wheeler "D" | | | | | 1H, 2H |
| | | 17205 | Forrest Wheeler "E" | | | | | 1H |
| | | | | | | | | |
| 16526 | 5539 | 15671 | Gloria Wheeler "A" | Gloria Wheeler TB Flare Pt 1 | 3/1/2019 | 2/28/2021 | 1,410 | 1H, 2H, 3H, 4H |
| | | 15647 | Gloria Wheeler "B" | | | | | 1H, 2H, 3H, 4H |
| | | 16664 | Gloria Wheeler "C" | | | | | 1H, 2H, 3H, 4H |
| | | 16668 | Gloria Wheeler "D" | | | | | 1H, 2H, 3H, 4H |
| | | 16670 | Gloria Wheeler "E" | | | | | 1H, 2H, 3H, 4H |
| | | 16787 | Swenson "A" | | | | | 1H, 2H, 3H, 4H |
| 17059 | 5539 | 16670 | Gloria Wheeler "E" | Gloria Wheeler TB Flare Pt 2 | 3/1/2019 | 2/28/2021 | 499 | 1H, 2H, 3H, 4H |
| | | 17713 | Gloria Wheeler "F" | | | | | 1H |
| | | 16787 | Swenson "A" | | | | | 1H, 2H, 3H, 4H |
| 16522 | -- | 15917 | Haynes "A" | Haynes "A" TB | 3/1/2019 | 2/28/2021 | 335 | 1H, 2H, 3H, 4H, 5H, 6H, 7H |
| 16529 | 5386 | 15551 | Hill | Hill TB | 3/1/2019 | 2/28/2021 | 907 | 1H, 2H, |

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|-------|------|-------|-----------------------|---------------------------------|----------|-----------|-------|---|
| | | 15610 | Hill "A" | | | | | 5H |
| | | 15605 | Hill "B" | | | | | 1H, 2H, 3H |
| | | 17927 | Hill SA | | | | | 3H, 4H, 6H |
| | | | | | | | | 1H |
| 16523 | 5478 | 16026 | Hubberd | Hubberd TB Flare Pt 1 | 3/1/2019 | 2/28/2021 | 288 | 1H,2H, 3H, 4H, 5H, 6H, 7H, 8H, 9H, 10H, 11H, 12H, 13H |
| | | 16016 | Hubberd "A" | | | | | 1H, 2H, 3H |
| 16654 | 5355 | 15386 | Rancho Tres Hijos | Rancho Tres Hijos TB Flare Pt 1 | 3/1/2019 | 2/28/2021 | 339 | 1H,2H, 3H, 4H, 5H, 6H |
| | | 15540 | Rancho Tres Hijos "A" | | | | | 1H |
| | | 16558 | Rancho Tres Hijos "B" | | | | | 1H,2H, 3H, 4H, 5H |
| 16655 | 5355 | 15386 | Rancho Tres Hijos | Rancho Tres Hijos TB Flare Pt 2 | 3/1/2019 | 2/28/2021 | 1,044 | 1H,2H, 3H, 4H, 5H, 6H |
| | | 16558 | Rancho Tres Hijos "B" | | | | | 1H,2H, 3H, 4H, 5H |
| 16527 | -- | 15388 | Swenson | Swenson TB | 3/1/2019 | 2/28/2021 | 891 | 1H,2H, 3H, 4H, 5H, 6H, 7H, 8H |
| 16528 | 5673 | 16966 | Swenson "B" | Swenson South TB | 3/1/2019 | 2/28/2021 | 535 | 1H, 2H |
| | | 16108 | Swenson "C" | | | | | 1H,2H, 3H, 4H, 5H |
| 30361 | 5435 | 15834 | Cortez "A" | Cortez TB Flare Pt 2 | 3/1/2019 | 2/28/2021 | 1,850 | 1H,2H, 3H, 4H, 5H, 6H |
| | | 15832 | Cortez "B" | | | | | 1H,2H, 3H, 4H, 5H, 6H |

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|-------|------|-------|------------------------|--------------------------|----------|-----------|-------|---|
| | | 16608 | Cortez "C" | | | | | 1H, 2H, 3H, 4H |
| 15896 | 5519 | 15518 | Cutter Creek | Cutter Creek A/B TB | 3/1/2019 | 2/28/2021 | 427 | 1H,2H, 3H, 4H, 5H, 6H, 7H, 8H, 9H, 10H, 11H, 12H, 13H, 14H |
| | | 16281 | Cutter Creek "A" | | | | | 1H, 2H |
| | | 16282 | Cutter Creek "B" | | | | | 1H, 2H |
| 21912 | 5478 | 16026 | Hubberd | Hubberd TB Flare Pt 2 | 3/1/2019 | 2/28/2021 | 2,274 | 1H,2H, 3H, 4H, 5H, 6H, 7H, 8H, 9H, 10H, 11H, 12H, 13H |
| | | 16016 | Hubberd "A" | | | | | 1H, 2H, 3H |
| 16660 | 5739 | 17601 | Y-Bar | Y-Bar TB | 3/1/2019 | 2/28/2021 | 2,645 | 1H,2H, 3H, 4H, 5H, 6H, 7H, 8H |
| | | 17872 | Y-Bar "A" | | | | | 1H, 2H, 3H, 4H |
| | | 17602 | West Y- Bar | | | | | 1H |

CONCLUSIONS OF LAW

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code § 81.051.
2. All notice requirements have been satisfied. 16 Tex. Admin. Code §§ 1.43 and 1.45.
3. Trinity has met the requirements in 16 Tex. Admin. Code § 3.32 for an exception to the limitations in that section regarding the requested authority to flare gas produced from the wells connected to the subject flare points.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend the Commission enter an order granting the application of Trinity Operating (USG), LLC to flare various amounts of gas from the 21 subject flare points in the Eagleville (Eagle Ford-1) Field, La Salle and McMullen Counties, Texas, from March 1, 2019 through February 28, 2021 as listed in Attachment A.

Respectfully submitted,



Richard Eyster, P.G.
Technical Examiner



Lynn Latombe
Administrative Law Judge