

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 01-0318179

APPLICATION OF SEA EAGLE FORD (760785) FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE ALLEN MCM (19414) LEASE, EAGLEVILLE (EAGLE FORD-1) FIELD (27135700), MCMULLEN COUNTY, TEXAS

FINAL ORDER

The Railroad Commission of Texas ("Commission") finds that after notice in the above-docketed case was provided to all parties entitled to notice, a hearing was heard on April 30, 2019 by a Commission Technical Examiner and Administrative Law Judge. This proceeding was duly submitted to the Commission at a conference held in its offices in Austin, Texas. After considering this matter, the Commission adopts the following findings of fact and conclusions of law.

Findings of Fact

1. SEA Eagle Ford, LLC ("SEA Eagle") filed an application ("Application") seeking a two-year exception to Title 16 of the Texas Administrative Code § 3.32 ("Statewide Rule 32") for authority to flare a maximum of 1,600 thousand cubic feet per day ("Mcf/d"), limited to 48,000 thousand cubic feet per month ("Mcfm"), of casinghead gas from February 16, 2019, to February 15, 2021, from the single flare point located on the Allen MCM (19414) Lease ("Lease"), in the Eagleville (Eagle Ford-1) Field, McMullen County, Texas.
2. SEA Eagle submitted a request for hearing on the Statewide Rule 32 flaring exception on February 13, 2019.
3. The Commission granted SEA Eagle an administrative exception to Statewide Rule 32 to flare a maximum casinghead gas volume of 3,500 Mcfd from the Lease under Flare Permit No. 35099, expiring February 15, 2019, due to delays in installing the necessary connecting infrastructure for casinghead gas sales.
4. On March 19, 2019 the Hearings Division of the Commission sent a Notice of Hearing ("Notice") to SEA Eagle and all offsetting operators in the field setting a hearing date of April 30, 2019. Silverbow Resources Operating, LLC ("Silverbow") was inadvertently left off the service list of the Notice. Silverbow was provided notice on April 10, 2019 and ten (10) days to file a protest in opposition to the Application. Consequently, the parties received more than 10 days' notice. The Notice contains (1) a statement of the time, place, and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be

held; (3) a reference to the particular sections of the statutes and rules involved; and (4) a short and plain statement of the matters asserted. The hearing was held on April 30, 2019. Applicant appeared and participated at the hearing. No one appeared in protest.

5. SEA Eagle seeks the flare permit due to intake capacity restriction at the gas sales plant and compressor downtime.
6. Based on a decline curve of expected casinghead gas deliverability, the estimated volume of gas well gas to be flared would be a maximum of 1,600 Mcfd, limited to 48,000 Mcfm.
7. The requested Statewide Rule 32 exception to flare a maximum of 1,600 Mcfd, limited to 48,000 Mcfm, of casinghead gas is necessary for SEA Eagle to produce the recoverable oil from the Lease during periods of compressor downtime and sales line upsets.
8. At the hearing, SEA Eagle agreed on the record that the Final Order in this docketed case is to be final and effective when a Master Order relating to this Final Order is signed.

Conclusions of Law

1. Proper notice was issued to persons entitled to notice. *See, e.g.,* Tex. Gov't Code § 2001.051; 16 Tex. Admin. Code §§ 1.42, 1.45.
2. The Commission has jurisdiction in this case. *See, e.g.,* Tex. Nat. Res. Code § 81.051.
3. Statewide Rule 32 requires gas to be utilized for purposes and uses authorized by law unless authorized. 16 Tex. Admin. Code § 3.32(b).
4. Statewide Rule 32 provides exceptions allowing the flaring of gas if certain requirements are met and the flaring is necessary. *See, e.g.,* 16 Tex. Admin. Code § 3.32(f), (h).
5. SEA Eagle has met the requirements in Statewide Rule 32 to flare a maximum of 1,600 Mcfd, limited to 48,000 Mcfm, of casinghead gas and the flaring of such gas is necessary.
6. 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.

Ordering Provisions

It is **ORDERED** that SEA Eagle Ford, LLC (760785), Inc. is granted a two-year exception to Statewide Rule 32. Its request for authority to flare a maximum of 1,600 Mcfd, limited to 48,000 Mcf per month, of casinghead gas from the flare stack located on the Allen MCM (19414) Lease in the Eagleville (Eagle Ford-1) Field, McMullen County, Texas, from February 16, 2019, to February 15, 2021, as reflected in attached Attachment A, is **APPROVED**.

This authority is granted, provided all production is reported on the appropriate Commission forms. SEA Eagle Ford, LLC shall file the Statewide Rule 32 Exception Data Sheet and, shall file at the same time, the required fee for a Statewide Rule 32 exception for each individual flare point on the Allen MCM (19414) Lease, in the Eagleville (Eagle Ford-1) Field, McMullen County, Texas. See 16 Tex. Admin. Code § 3.32(h)(1).

Pursuant to § 2001.144(a)(4)(A) of the Texas Government Code and the agreement of the parties in writing or on the record, **the parties have waived the right to file a motion for rehearing and the Final Order in this case is final and effective on the date the Master Order relating to the Final Order is signed.**

Signed on August 6, 2019.

RAILROAD COMMISSION OF TEXAS

**(Order approved and signatures affixed by
Hearings Division's Unprotested Master
Order dated August 6, 2019)**

ATTACHMENT A – FLARE EXCEPTION AUTHORITY

Permit No.	Commingle Permit No. (If Applicable)	Lease Name, Individual Flare Stacks	Permit Start Date	Permit End Date	Maximum Flare Volume (Mcf/d & Mcf/m)	Casinghead Gas or Gas Well Gas
35099	N/A	Allen MCM (19414) Lease	February 16, 2019	February 15, 2021	1,600 Mcfd 48,000 Mcfm	Casinghead Gas

Note:
Mcf/d = Thousand Cubic Feet Per Day
Mcf/m = Thousand Cubic Feet Per Month