

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

OIL AND GAS DOCKET NO. 02-0317982

**APPLICATION OF SEA EAGLE FORD (760785) FOR AN EXCEPTION TO
STATEWIDE RULE 32 FOR THE H HARLAN BETHUNE 01 (09987) LEASE,
EAGLEVILLE (EAGLE FORD-2) FIELD (71823666), LIVE OAK 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 17, 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 Statewide Rule 32 for authority to flare a maximum of 4,400 thousand cubic feet per day ("Mcf/d"), limited to 132,000 thousand cubic feet per month ("Mcfm"), of casinghead gas from February 1, 2019, to January 31, 2021, from the single flare point located on the H Harlan Bethune 01 (09987) Lease ("Lease"), in the Eagleville (Eagle Ford-2) Field, Live Oak County, Texas.
2. SEA Eagle submitted a request for hearing on the Statewide Rule 32 flaring exception on February 1, 2019.
3. SEA Eagle was previously granted an administrative exception to Statewide Rule 32 to flare a maximum casinghead gas volume of 12,000 Mcfd from the Lease under Flare Permit No. 35593, expiring January 23, 2018.
4. On March 20, 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 17, 2019. Subsequently, it was learned that Burlington Resources O & G Co. ("Burlington") and Verdun Oil & Gas LLC ("Verdun") were inadvertently left off the service list. Burlington and Verdun were provided notice on May 24, 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

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 10, 2019, as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.

5. Approximately 11% of total Lease gas production has been flared since 2018, due to compressor upsets and intake capacity restrictions at the gas sales plant.
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 4,400 Mcfd, limited to 132,000 Mcfm.
7. The requested Statewide Rule 32 exception to flare a maximum of 4,400 Mcfd, limited to 132,000 Mcfm, of casinghead gas is necessary for SEA Eagle to produce the recoverable oil from the Lease.
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 4,400 Mcfd, limited to 132,000 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 4,400 Mcfd, limited to 132,000 Mcf per month, of casinghead gas from the flare stack located on the H Harlan Bethune 01 (09987) Lease, in the Eagleville (Eagle Ford-2) Field, Live Oak County, Texas, from February 1, 2019, to January 31, 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 H Harlan Bethune 01 (09987) Lease, in the Eagleville (Eagle Ford-2) Field, Live Oak 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.	Commingled 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
35593	N/A	H Harlan Bethune 01 (09987) Lease	February 1, 2019	January 31, 2021	4,400 Mcfd 132,000 Mcfm	Casinghead Gas

Note:

Mcf/d = Thousand Cubic Feet Per Day

Mcf/m = Thousand Cubic Feet Per Month