



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 08-0298935**

---

**THE APPLICATION OF COG OPERATING LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 RELATING TO THE FLARING OF GAS FOR VARIOUS WELLS AND FACILITIES, HOEFS T-K (WOLFCAMP) AND LOOKSI (BELL CANYON) FIELDS, REEVES COUNTY, TEXAS**

---

**HEARD BY:** Paul Dubois – Technical Examiner  
Ryan Larson – Administrative Law Judge

**HEARING DATE:** February 1, 2016

**CONFERENCE DATE:** February 23, 2016

**APPEARANCES:**

Ana Maria Marsland-Griffith  
Terrell O. Pafford  
Tami Parker

**REPRESENTING:**

COG Operating LLC

**EXAMINERS' REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

On February 24, 2015, the Commission issued a Final Order in Oil & Gas Docket No. 08-0293786, granting exceptions to Statewide Rule 32 (16 Tex. Admin. Code §3.32) for 13 flare facilities serving wells in the Hoefs T-K (Wolfcamp) and Looksi (Bell Canyon) Fields, Reeves County, Texas. The authority granted authorized flaring for a period of one year, which expired on December 1, 2015, while capacity and reliability improvements were made to the existing gas infrastructure. As the problems have persisted, COG Operating LLC (COG) hereby requests an additional exception for a period of one year to complete the infrastructure improvements. COG seeks a combined authority to flare up to 4,849 thousand cubic feet (mcf) gas per day on an emergency or as-needed basis. The application was not protested. The Administrative Law Judge and Technical Examiner (collectively "Examiners") recommend COG's application be granted.

**DISCUSSION OF EVIDENCE**

As described in Oil & Gas Docket No. 08-0293786, the Wolfcamp Trend in Reeves County has experienced rapid development over the last few years. Operators in the region have faced extensive capacity and reliability problems with the existing gas gathering, processing, treating, and sales infrastructure. These issues continue. COG testified in this case that the planned infrastructure development with the ETC pipeline system have fallen short of expectations. In addition, project cancellations indicate the situation with ETC will not improve in the foreseeable future. Also, COG's acreage tends to be farther from the ETC facilities, putting COG at a competitive disadvantage with other operators when accessing pipeline capacity.

Recently COG has begun working with another pipeline operator, Penn Tex, to develop gathering and processing infrastructure. COG now estimates that within the next year these facilities will be online, stable and reliable, and the need to flare gas from the field will be markedly decreased. Therefore, COG requests an additional year of authority to flare gas from 13 production facilities listed below. In some cases the requested flare volumes have decreased, and in other cases the requested flare volumes have increased. Exploration and production continues in this area.

<b>Flare Facility</b>	<b>Permit No.</b>	<b>Docket No. 08-0293786 Authorized Flare Volume</b>	<b>Docket No. 08-0298935 Requested Flare Volume</b>
Big Chief Battery 35	18715	1,500 mcf/d	108 mcf/d
Big Chief Battery 148	18714	1,016 mcf/d	338 mcf/d
Big Chief Battery 175	18716	3,011 mcf/d	1,014 mcf/d
Big Chief Battery 176	20118	<i>see note below</i>	747 mcf/d
Carl H 55	19340	200 mcf/d	130 mcf/d
Hoefs Ranch State 1-26	18709	350 mcf/d	245 mcf/d
Hoefs Ranch State 1-66	18712	108 mcf/d	78 mcf/d
Hoefs Ranch State 1-96	18710	70 mcf/d	110 mcf/d
John H 95	18708	417 mcf/d	184 mcf/d
Kristin T 65	18713	333 mcf/d	118 mcf/d
McCoy Remme Ranch 99-102	18707	342 mcf/d	290 mcf/d
Red Willow Battery 85	18706	1,000 mcf/d	839 mcf/d
Red Willow A Battery 87	19341	1,000 mcf/d	648 mcf/d

Note: The Big Chief Battery 176 facility was not individually granted authority in Docket No. 08-0293786. COG obtained administrative permit no. 20118 for Big Chief Battery 176 on September 3, 2015 for a period of 90 days, expiring on November 30, 2015.

To support this application, COG provided maps of existing pipeline facilities in the ETC and Penn Tex systems. The maps included existing infrastructure and facilities currently being developed. COG documented the flaring history of the facilities for the past year, including the total volume of gas flared, averaged flared volumes, the wells served by each facility, and the number of days flared. The Examiners conclude that approval of COG's application will enable it to continue to produce oil from the subject leases, protecting its correlative rights.

### **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 hearing.
2. On February 24, 2015, the Commission issued a Final Order in Oil & Gas Docket No. 08-0293786, granting exceptions to Statewide Rule 32 (16 Tex. Admin. Code §3.32) for 13 flare facilities serving wells in the Hoefs T-K (Wolfcamp) and Looksi (Bell Canyon) Fields, Reeves County, Texas.
3. The Wolfcamp Trend in Reeves County has experienced rapid development over the last few years.
4. Operators in the region, including COG, have faced extensive capacity and reliability problems with the existing gas gathering, processing, treating, and sales infrastructure. These issues continue.
5. Planned infrastructure development with the existing pipeline system has fallen short of expectations.
6. COG is working with Penn Tex to develop additional gathering, processing, treatment and sales infrastructure capacity and improved system reliability.
7. Approval of COG's application will enable it to continue to produce oil from the subject leases, protecting its correlative rights.

### **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 § 1.45

3. Approval of COG's application will enable it to continue to produce oil from the subject leases, protecting its correlative rights.

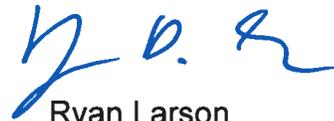
**RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the Examiners recommend the Commission enter an order granting the application of COG Operating LLC for exceptions to Statewide Rule 32 for 13 flare facilities serving wells in the Hoefs T-K (Wolfcamp) and Looksi (Bell Canyon) Fields, Reeves County, Texas.

Respectfully submitted,



Paul Dubois  
Technical Examiner



Ryan Larson  
Administrative Law Judge