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RANDALL D. COLLINS, *DIRECTOR*

RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0305438

THE APPLICATION OF COMSTOCK OIL & GAS, LP TO CONSIDER AN EXCEPTION TO STATEWIDE RULE 32 FOR THE SHENKIR TANK BATTERY (18126) LEASE, EAGLEVILLE (EAGLE FORD-1) FIELD, LA SALLE COUNTY, TEXAS

HEARD BY: Karl Caldwell – Technical Examiner
Clayton Hoover – Administrative Law Judge

HEARING DATE: July 11, 2017
RECORD CLOSED: July 11, 2017
CONFERENCE DATE: September 19, 2017

APPEARANCES: **REPRESENTING:**

APPLICANT: Comstock Oil & Gas, LP

Dale Miller

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Comstock Oil & Gas, LP (Comstock) requests a two-year extension of its exception to Statewide Rule 32 for the Shenkir Tank Battery (18126) Lease. The application is unopposed and the Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend approval of the application.

DISCUSSION OF THE EVIDENCE

Statewide Rule 32 governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission. Specifically, Statewide Rule 32(j) *Opportunity for hearing* states that an operator may request a hearing on any application for an exception, or exception renewal required by this section. In Final Order No. 01-0297618, Comstock was granted a two-year exception to Statewide Rule 32 for the Shenkir Tank Battery Lease to flare up to 3,500 Mcf gas per day, effective August 20, 2015 through August 20, 2017. The Commission received a hearing request to extend its Statewide Rule 32 exception on June 19, 2017. Since the request for a renewal of an

exception was filed with the Commission at least 21 days prior to the expiration of the exception authority, the operator is authorized to continue to operate under the existing authority pending final Commission action on the application.

Comstock is requesting to extend its current exception to Statewide Rule 32 to flare a maximum of 2,000 Mcf of casinghead gas per day from August 21, 2017 through August 20, 2019. There are five producing wells on the Shenkir Lease. DCP Midstream is the gatherer of casinghead gas produced on the subject lease. The request for an exception to Statewide Rule 32 is to flare casinghead gas during emergency situations when all gas cannot be sold as a result of equipment failure, plant shutdowns, or pipeline issues.

Comstock agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order shall be effective on the date a Master Order relating to this Final Order is signed.

FINDINGS OF FACT

1. Proper notice of this hearing was given to offset operators at least ten days prior to the date of hearing. There were no protests to the application.
2. Comstock requests a two-year extension of its exception to Statewide Rule 32 for the Shenkir Tank Battery (18126) Lease.
3. Comstock was granted a two-year exception to Statewide Rule 32 for the Shenkir Tank Battery Lease to flare up to 3,500 Mcf gas per day, effective August 20, 2015 through August 20, 2017 in Final Order No. 01-0297618.
4. The Commission received a hearing request from Comstock to extend its Statewide Rule 32 exception on June 19, 2017.
5. There are five producing wells on the Shenkir Lease.
6. DCP Midstream is the gatherer of casinghead gas produced on the subject lease.
7. The request for an exception to Statewide Rule 32 is to flare casinghead gas during emergency situations when all gas cannot be sold as a result of equipment failure, plant shutdowns, or pipeline issues.
8. Comstock is requesting to extend its current exception to Statewide Rule 32 for the Shenkir Tank Battery Lease to flare a maximum of 2,000 Mcf of casinghead gas per day from August 21, 2017 through August 20, 2019.

9. Comstock agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order shall be effective on the date a Master Order relating to this Final Order is signed.

CONCLUSIONS OF LAW

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Title 16, Texas Administrative Code 3.32(h) provides for an exception to Statewide Rule 32.
4. Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and the agreement of the applicant, this Final Order is effective when a Master Order relating to this Final Order is signed on September 19, 2017.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission grant an exception Statewide Rule 32 for the Shenkir Tank Battery (18126) Lease to flare a maximum of 2,000 Mcfd of casinghead gas for a period of two years.

Respectfully submitted,



Karl Caldwell
Technical Examiner



Clayton Hoover
Administrative Law Judge