



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0305348

THE APPLICATION OF CINCO OIL & GAS, LLC, FOR AN EXCEPTION TO
STATEWIDE RULE 32 FOR THE LSWT (17897) LEASE, WELL NO.1H, INDIO
TANKS (PEARSALL) FIELD, ATASCOSA COUNTY, TEXAS

HEARD BY: Richard Eyster, P. G. – Technical Examiner
Clayton J. Hoover – Administrative Law Judge

HEARING DATE: August 2, 2017

CONFERENCE DATE: September 19, 2017

APPEARANCES:

Doug Dashiell
Jeff Gordon

Cinco Oil & Gas, LLC

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Cinco Exploration & Production Co . (Cinco) requests an exception to Statewide Rule 32 to flare gas for the LSWT (17897) Lease, No.1H (Pearsall) Well, Indio Tanks (Pearsall) Field, Atascosa County, Texas. All persons entitled to notice received notice of the hearing.

The application is not protested and the Technical Examiner and the Administrative Law Judge (collectively the Examiners) recommend the exception be granted.

DISCUSSION OF THE EVIDENCE

Statewide Rule 32 governs the utilization of gas well gas and casinghead gas produced by oil and gas wells under the jurisdiction of the Railroad Commission. In the subject application, Cinco is requesting to flare 150mcf/d of casinghead gas produced

from the LSWT (17897) Lease, No.1H (Pearsall) Well, (API No. 42-013-34892) in Atascosa County Texas, as provided in Statewide Rule 32(h).

The LSWT 1H Well is completed in the Indio Tanks (Pearsall) Field, Atascosa County. Cinco received administrative Permit No. 28850 to flare up to 250 mcf/d of casinghead gas, which was effective from February 7, 2017 through August 7, 2017, Cinco is now requesting an exception to flare 150 mcf/d from the LSWT 1H Well for a period of 90 days from August 2, 2017 through October 31, 2017..

Cinco expects to connect the well to the Energy Transfer Company's tap and gathering system by September 1, 2017 but is requesting the 90 day exception in case of unforeseen issues that may slow down the tie in. Without a Final Order from the Commission authorizing the continued flaring of casinghead gas from the LSWT1H Well, Cinco stated they would have to shut in production from the well, possibly resulting in waste of hydrocarbon reserves.

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. The subject well in this application are completed in the Indio Tanks (Pearsall) Field, Atascosa County.
3. An operator is considered temporarily compliant with Statewide Rule 32 until final Commission action on the hearing application if it has requested a hearing prior to the expiration of a Commission granted flare permit order.
4. Cinco received an administrative permit to flare casinghead gas from the LSWT 1H Well
5. Cinco applied for hearings to extend the flaring authority more than 21 days before the administrative permits expired.
6. An exception to Statewide Rule 32 for the Peeler SW 1H Well is appropriate.
7. For the LSWT 1H Well, Cinco requests to flare a maximum of 150 mcf/d of casinghead gas from August 2, 2017 through October 31, 2017.

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. Cinco Oil & Gas, LLC. 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 casinghead gas produced from the well.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend the Commission enter an order granting the application as requested by Cinco Oil & Gas, LLC.

Respectfully submitted,



Richard Eyster, P. G.
Technical Examiner



Clayton J. Hoover
Administrative Law Judge