



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0311539

THE APPLICATION OF EOG RESOURCES, INC. FOR AN EXCEPTION TO STATEWIDE RULE 32 TO FLARE CASINGHEAD GAS FROM THE DALL UNIT (17880) LEASE, EAGLEVILLE (EAGLEFORD-1) FIELD, ATASCOSA COUNTY, TEXAS

HEARD BY: Richard Eyster, P. G. – Technical Examiner
Kristi M. Reeve – Administrative Law Judge

HEARING DATE: July 26, 2018

APPEARANCES:

Doug Dashiel EOG Resources, Inc.
Jeremy Monronez

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

EOG Resources, Inc. (EOG) seeks an exception to Statewide Rule 32 (16 Tex. Admin. Code §3.32) to flare casinghead gas from the Dall Unit (17880) Lease, Well No. 1H, Eagleville (Eagleford-1) Field, Atascosa County, Texas at a rate of 70 mcf/d for a period of two years. 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.

The Dall Unit Facility is a single well facility with the Dall Unit Well No. 1H flowing to it. The current flow rate from the 1H well is 60 mcf/d. The facility is tied into a sweet gas pipeline, however the well has 7,000 ppm H₂S and needs a scrubber to treat the gas to pipeline standards. EOG estimates that installing the scrubber would cost approximately \$40,000. At a payback rate of \$19.70/day the breakeven time would be 5.5 years. EOG expects gas flow rates to further decline and view the scrubber cost to be uneconomic. EOG applied for and received administrative Permit, (Permit No. 32852) to flare a maximum volume of 140 mcf/d for a period of 180 days.

EOG is now requesting a two-year exception to flare 70 mcf/d from June 12, 2018 through June 12, 2020.

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. Walsh applied for a hearing to extend the flaring authority more than 21 days before the administrative permits expired.
3. EOG is requesting to flare 70 mcf/d from the Dall Unit for a two year period from June 12,2018 through June 12, 2020.
4. Due to the 7,000 ppm H₂S the gas must be treated.
5. The installation of a H₂S scrubber is uneconomic.
5. Without a Final order authorizing the flaring, EOG will have to shut the well in causing waste and possible harm to the reservoir.

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. EOG Resources, Inc. 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 Dall Unit (17880) Lease, Eagleville (Eagleford-1) Field, Atascosa County, Texas at a rate of 70 mcf/d for a period of two years.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend the Commission enter an order approving the application as requested by EOG Resources, Inc.



Richard Eyster, P. G.
Technical Examiner

Respectfully submitted,



Kristi M. Reeve
Administrative Law Judge