



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0310542

THE APPLICATION OF COMSTOCK OIL & GAS, LP FOR EXCEPTIONS TO STATEWIDE RULE 32 TO FLARE GAS FROM TWENTY-ONE FLARE POINTS IN THE EAGLEVILLE (EAGLE FORD-1) FIELD, LA SALLE AND MCMULLEN COUNTIES, TEXAS.

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

HEARING DATE: June 21, 2018

APPEARANCES:

Dale Miller

Comstock Oil & Gas, LP.

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Comstock Oil & Gas, LP ("Comstock") requests exceptions to Statewide Rule 32 (16 Tex. Admin. Code § 3.32) to flare gas from twenty-one flare points in the Eagleville (Eagle Ford-1) Field in La Salle and McMullen Counties, Texas. Comstock requests what it terms "emergency authority" to flare varying quantities of gas as needed from the subject facilities. All of the facilities are connected to sales pipelines. However, there is an ongoing need for intermittent flaring due to system upsets, maintenance, and pipeline capacity issues. Comstock has received prior authorization to flare gas under administrative permits and Commission Final Orders. Under the prior authorities, Comstock was authorized to flare up to 14,364 mcf (~14 million cubic feet) of gas per day from the flare points. Comstock seeks to extend these authorities for two years. A review of data from January 2016 to January 2018 indicated that Comstock is, indeed, selling most of the gas produced and that the flaring authority is only needed on an emergency basis. Comstock requests authority in this case to flare a maximum volume of 8,664 mcf gas for a period of two years beginning on April 28, 2018 through April 27, 2020. This volume is based on the current daily casinghead gas production rates for the wells that

are connected to the subject flare points, and therefore represents a worst-case flaring scenario.

DISCUSSION OF THE EVIDENCE

Comstock requests exceptions to flare gas from twenty-one flare points in the Eagleville (Eagle Ford-1) Field in La Salle and McMullen Counties, Texas. Generally, Statewide Rule 32 governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission.

All of the wells feeding into the subject flare points are also connected to gas sales lines, and Comstock sells most of the gas produced from these wells. However, there is an ongoing need for intermittent flaring from these facilities due to system upset events, maintenance, or pipeline capacity issues. In addition, the subject wells produce gas that contain hydrogen sulfide. Absent continued authority to flare gas on an emergency basis, Comstock would have to either file exception requests on an as-needed basis, which, it argues, increases the administrative burden on Comstock and Commission staff. In the alternative, Comstock would have to cut production of all hydrocarbon streams until the intermittent issue was resolved.

Comstock has obtained flaring authority for the 21 flare points through Final Orders issued by the Commission. The table shown on **Attachment A** identifies the 21 flare points and other flare point and permit information. The table also indicates the requested daily volume that Comstock seeks for an additional two years. The application is not protested and the Technical Examiner and the Administrative Law Judge (collectively the Examiners) recommend the exception be granted.

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 the hearing.
2. The 21 flare points that are the subject of this docket are located in La Salle and McMullen Counties. The wells that are connected to the subject flare points produce oil and casinghead gas from the Eagleville (Eagle Ford-1) Formation.
3. All of the wells feeding into the subject flare points are connected to gas sales lines, and Comstock sells most of the gas produced from these wells.
4. There is an ongoing need for intermittent flaring from these facilities due to system upset events, maintenance, or pipeline capacity issues.

5. Comstock has received authority to flare gas from the all but one of the subject flare points through Commission Final Orders, which expired on and April 27, 2018.
6. The prior authority to flare gas was for a total of 14,364 mcf gas per day, or 14.3 million cubic feet of gas per day.
7. Comstock requests continued authority to flare gas on an emergency basis for a period of two years. Comstock seeks a maximum daily flare volume of 8,664 mcf gas, which is based on its current cumulative production from the wells connected to the subject flare points.
8. The requested flaring authority will ease the administrative burden on Comstock and Commission staff

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. Comstock 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 gas produced from the wells connected to the subject flare points.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend the Commission enter an order granting the application of Comstock Oil & Gas, LP to flare up to 8,664 mcf gas per day from the 21 subject flare points in the Eagleville (Eagle Ford-1) Field, La Salle and McMullen Counties, Texas, from April 28, 2018 through April 27, 2020.


Richard Eyster, P. G.
Technical Examiner

Respectfully submitted,


Clayton J. Hoover
Administrative Law Judge

APPENDIX A

Flare Point	Tank Battery	Daily Vol. (Mcf)	Monthly Vol. (Mcf)	2 Years Vol. (Mcf)	H2S (ppm)
#1	Carlson/Donnell Flare Pt #1	345	10,505	251,850	45
#2	Carlson/Donnell Flare Pt #2	436	13,276	318,280	45
#3	Cortez Flare Pt #1	364	11,084	265,720	3900
#4	Cortez North Flare Pt	915	27,862	667,950	45
#5	Cutter Creek Flare Pt #1	207	6,303	151,110	11,000
#6	Cutter Creek Flare Pt #2	163	4,963	118,990	11,000
#7	Forrest Wheeler Flare Pt	57	1,736	41,610	150
#8	Forrest Wheeler South Flare Pt	376	11,449	274,480	85
#9	Gloria Wheeler Flare Pt #1	711	21,650	519,030	870
#10	Gloria Wheeler Flare Pt #2	308	9,379	224,840	870
#11	Haynes "A" Flare Pt	141	4,293	102,930	8,300
#12	Hill Flare Pt	415	12,637	302,950	1,600
#13	Hubberd Flare Pt #1	185	5,633	135,050	25
#14	Rancho Tres Hijos Flare Pt #1	150	4,568	109,500	12,300
#15	Rancho Tres Hijos Flare Pt #2	259	7,887	189,070	12,300
#16	Swenson Flare Pt	403	12,271	294,190	2,600
#17	Swenson South Flare Pt	320	9,744	233,600	850
#18	Cortez Flare Pt #2	647	19,701	472,310	3,900
#19	Cutter Creek A/B Flare Pt	215	6,547	156,950	10,300
#20	Hubberd Flare Pt #2	639	19,458	466,470	25
#21	Y-Bar Flare Pt	1,408	42,874	1,027,840	2,000