



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 01-0281973**

---

**THE APPLICATION OF EOG RESOURCES, INC. FOR AN EXCEPTION TO STATEWIDE  
RULE 32 FOR THE GORDON TRUST LEASE, EAGLEVILLE (EAGLE FORD-1) FIELD,  
ATASCOSA COUNTY, TEXAS**

---

**HEARD BY:** Richard D. Atkins, P.E. - Technical Examiner  
Terry Johnson - Legal Examiner

**DATE OF HEARING:** May 13, 2013

**ER&R PREPARED BY:** Paul Dubois

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Doug Dashiell  
Jeffrey Perry

EOG Resources, Inc.

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

EOG Resources, Inc. ("EOG") requests an exception to Statewide Rule 32 to flare 90 MCFPD of casinghead gas from May 1, 2013, through May 10, 2013, from the Gordon Trust Lease, Eagleville (Eagle Ford-1) Field, Atascosa County, Texas.

Notice was provided to offset operators surrounding the above referenced lease. The application is unopposed and the examiners recommend approval of an exception to Statewide Rule 32 for the Gordon Trust Lease, as requested by EOG.

**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(h) provides that an exception to flare natural gas in volumes greater than 50 MCFGPD per well may be granted administratively for a period up to 180 days. Beyond that, Statewide Rule 32(h) provides that exceptions beyond 180 days shall be granted only in a final order signed by the Commission. In the context of the subject application, EOG is requesting to flare 90 MCFPD of casinghead gas from May 1, 2013, through May 10, 2013, from the Gordon Trust Lease, as provided by Statewide Rule 32(h).

The Gordon Trust Lease is located in southwestern Atascosa County, approximately 15 miles south of the town of Charlotte, Texas. This area of the Eagleville (Eagle Ford-1) Field is undergoing rapid development and lacks existing oil and gas infra-structure for new gas production. The Gordon Trust Lease is located approximately one and one-half miles from the nearest gas gatherer in the area, Chesapeake Pipeline, and two miles from a Regency Energy Partners, L.P. (Regency), sour gas pipeline.

EOG submitted a copy of the Commission Form W-2 filed for its Gordon Trust Lease, Well Nos. 1H and 13H, that were completed in April 2012. The wells produced 466 BOPD, 193 MCFGPD and 1,907 BWPD with a gas-oil ratio of 414 cubic feet per barrel and 459 BOPD, 179 MCFGPD and 851 BWPD with a gas-oil ratio of 389 cubic feet per barrel, respectively. The lease produces sour gas, with concentrations of H<sub>2</sub>S ranging from 10,000 to 20,000 ppm. EOG received administrative Permit No. 11628 to flare up to 250 MCFPD of casinghead gas from its Gordon Trust Lease. The permit was effective June 1, 2012, and expired on December 1, 2012, after three extensions, which totaled the maximum 180 days allowed by an administrative permit. EOG requested a hearing to obtain an additional extension from December 1, 2012, through April 30, 2013, which was approved by the commission in a final order (Docket No. 01-0279222).

EOG stated that pipeline construction took longer than expected because the right-of-way route distance to the Regency sour gas pipeline was greater than anticipated.

The Gordon Trust Lease facilities were connected to the Regency sour gas pipeline on May 5, 2013. Regency experienced technical issues with its processing plant, and first sales were delayed until May 10, 2013. Flaring of casinghead gas ended on that day. EOG requests an exception to Statewide Rule 32 to flare 90 MCFPD of casinghead gas from May 1, 2013, through May 10, 2013, from the Gordon Trust Lease.

**FINDINGS OF FACT**

1. Proper notice of this hearing was given at least ten days prior to the date of hearing. There were no protests to the application.
2. The Gordon Trust Lease is located in southwestern Atascosa County,

approximately 15 miles south of the town of Charlotte, Texas.

- a. This area of the Eagleville (Eagle Ford-1) Field is undergoing rapid development and lacks existing oil and gas infrastructure for new gas production.
  - b. The Gordon Trust Lease, Well Nos. 1H and 13H, were completed in April 2012. The wells produced 466 BOPD, 193 MCFGPD and 1,907 BWPD with a gas-oil ratio of 414 cubic feet per barrel and 459 BOPD, 179 MCFGPD and 851 BWPD with a gas-oil ratio of 389 cubic feet per barrel, respectively.
  - c. The lease produces sour gas, with concentrations of H<sub>2</sub>S ranging from 10,000 to 20,000 ppm.
  - d. The Gordon Trust Lease is located approximately two miles from the nearest sour gas gatherer in the area, Regency Energy Partners, L.P.
3. Statewide Rule 32(h) stipulates that the Commission may administratively grant an exception to Statewide Rule 32 for a period no greater than 180 days.
- a. EOG received administrative Permit No. 11628 to flare 250 MCFPD of casinghead gas from its Gordon Trust Lease.
  - b. The permit was effective June 1, 2012, and expired on December 1, 2012, after three extensions, which totaled the maximum 180 days allowed by an administrative permit.
4. An exception to Statewide Rule 32 to flare 250 MCFPD of casinghead gas from December 1, 2012, through April 30, 2013, from the Gordon Trust Lease, is was granted by the commission by final order (Docket No. 01-0279222).
- a. Pipeline construction took longer than expected because the right of way route was greater than anticipated.
  - b. The lease facilities were connected to the Regency pipeline on May 5, 2013. First sales were on May 10, 2013, and flaring ended on that day.
5. An exception to Statewide Rule 32 to flare 90 MCFPD of casinghead gas from May 1, 2013, through May 10, 2013, from the Gordon Trust Lease, is appropriate.

**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. Approval of the requested authority pursuant to Statewide Rule 32 will prevent waste and will not harm correlative rights.

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission grant an exception to Statewide Rule 32 to flare 90 MCFPD of casinghead gas from May 1, 2013, through May 10, 2013, from the Gordon Trust Lease, as requested by EOG Resources, Inc.

Respectfully submitted,

  
Paul Dubois  
Technical Examiner

  
Terry Johnson  
Legal Examiner