



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 08-0292296**

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**THE APPLICATION OF COG OPERATING LLC FOR AN EXCEPTION TO  
STATEWIDE RULE 32, FOR THE AUSTIN HAYTER STATE WELL NO. 3004H,  
HOEFS T-K (WOLFCAMP) FIELD, PECOS COUNTY, TEXAS**

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**HEARD BY:** Paul Dubois – Technical Examiner  
Marshall Enquist – Hearings Examiner

**HEARING DATE:** November 17, 2014

**CONFERENCE DATE:** January 27, 2015

**APPEARANCES:**

Ana Maria Marsland-Griffith  
Terry Pafford  
Tami Parker

**REPRESENTING:**

COG Operating LLC

### EXAMINER'S REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Pursuant to Statewide Rule 32 (16 Tex. Admin. Code § 3.32) COG Operating LLC (COG), requests authority to flare 400 mcf/day casinghead gas from the Austin Hayter State Well No. 3004H, in the Hoefs T-K (Wolfcamp) Field, Pecos County, Texas. The application was not protested.

#### DISCUSSION OF 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. Statewide Rule 32 provides operators with the ability to request authority to flare gas in certain situations, including those in which adequate gas gathering system capacity is unavailable. For the Austin Hayter State Well No. 3004H, COG has obtained the maximum administrative authority to flare gas for a period of 180 days (Permit No. 16125). The administrative permit expired on August 12, 2014. Through this application, COG seeks

a commission Final Order to extend this authority until a pipeline connection can be made.

The subject well is on the edge of Wolfcamp development in Pecos County. It is currently producing about 150 barrels of oil per day and about 350-400 mcf/day of casinghead gas. COG estimates the ultimate recovery of the well to be about 142,000 std. bbl.

Gas gathering and transmission infrastructure is currently lacking, but COG is addressing the situation. A pipeline connection was made on November 11, 2014, and COG is able to sell about half of the gas it produces. In January 2015 a compressor will be added to get the produced gas into the nearby Regency Pipeline. In addition, COG has completed and is currently testing a second well that will also utilize this connection.

COG requests authority to continue to flare 400 mcf/day casinghead gas for a period of one year, from August 13, 2014, through August 12, 2015. This authority will allow COG to continue to produce oil from the well while the gas gathering system upgrades are completed.

#### **FINDINGS OF FACT**

1. All parties entitled to notice were notified at least 10 days prior to the hearing.
2. COG Operating LLC produces oil and casinghead gas from its Austin Hayter State Well No. 3004H, Hoefs T-K (Wolfcamp) Field in Pecos County, Texas.
3. COG has obtained the maximum 180 day administrative exceptions to flare gas from the subject leases.
4. On November 11, 2014, COG completed a pipeline connecting the well to a nearby Regency gas pipeline. Additional compression will be installed in 2015.
5. The requested exception will allow COG to continue to produce oil until the gas gathering capacity is improved.

#### **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 § 1.45

3. All requirements of Statewide Rule 32 have been satisfied. 16 Tex. Admin. Code § 3.32

**RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the Examiners recommend the requested exception to Statewide Rule 32 be granted.

Respectfully submitted,

  
Paul Dubois  
Technical Examiner

  
Marshall Enquist  
Hearings Examiner