



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 05-0294697**

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**THE APPLICATION OF EOG RESOURCES, INC. FOR AN EXCEPTION TO  
STATEWIDE RULE 32 FOR ITS ZEUS NO. 1H WELL, AGUILA VADO  
(EAGLEFORD) FIELD, MADISON COUNTY, TEXAS**

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**HEARD BY:** Paul Dubois – Technical Examiner  
Terry Johnson – Hearings Examiner

**HEARING DATE:** February 4, 2015

**CONFERENCE DATE:** March 24, 2015

**APPEARANCES:**

George Neale

**REPRESENTING:**

EOG Resources, Inc.

### EXAMINER'S REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Pursuant to Statewide Rule 32 (16 Tex. Admin. Code §3.32), EOG Resources, Inc. (EOG) seeks authorization to flare gas from its Zeus Lease (No. 04089), Well No. 1H (API No. 42-313-31115) in the Aguila Vado (Eagleford) Field, in Madison County, Texas. The well has received administrative permits to flare gas for the maximum 180 days. EOG seeks a Commission final order providing additional authority to flare 100 thousand cubic feet (MCF) of gas from December 22, 2014, through January 15, 2015. The application was not protested. The Examiners recommend EOG's requested be granted.

#### DISCUSSION OF EVIDENCE

EOG's Zeus Lease, Well No. 1H is located about 5.7 miles east-northeast of Normangee, in Madison County. The well was completed on June 14, 2014. On initial potential testing the Y-Bar West Unit No. 1H well produced 299 barrels of oil and 150 MCF gas. The well is located 6 miles from the nearest pipeline connection. EOG has concluded it would be uneconomical to acquire the right-of-way and construct a pipeline solely to market the gas from this well.

The Zeus Lease, Well No. 1H well received authorization (Permit No. 17791) to flare 125 MCF gas from June 24, 2014, through December 22, 2014, for a period of 180 days. On December 8, 2014, EOG requested a hearing to extend the authorization to flare gas from the well. The gas production from the well has declined below 50 MCF per day as of January 13, 2015. EOG has requested a permanent administrative exception to flare gas effective January 13, 2015. Through this hearing, EOG requests the time period from December 22, 2014, through January 13, 2015, be covered by authority in the form of a Commission final order.

### **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. EOG's Zeus Lease, Well No. 1H is located about 5.7 miles east-northeast of Normangee, in Madison County. The well was completed on June 14, 2014. On initial potential testing the Y-Bar West Unit No. 1H well produced 299 barrels of oil and 150 MCF gas.
3. The well is located 6 miles from the nearest pipeline connection. EOG has concluded it would be uneconomical to acquire the right-of-way and construct a pipeline solely to market the gas from this well.
4. The Zeus Lease, Well No. 1H well received authorization (Permit No. 17791) to flare 125 MCF gas from June 24, 2014, through December 22, 2014, for a period of 180 days.
5. On December 8, 2014, EOG requested a hearing to extend the authorization to flare gas from the well.
6. The gas production from the well has declined below 50 MCF per day as of January 13, 2015. EOG has requested a permanent administrative exception to flare gas effective January 13, 2015.
7. Authority to flare 100 MCF gas per day from December 22, 2015, through January 13, 2015, will allow EOG to continue to produce oil from the well until the need to flare produced gas falls below 50 MCF per day.

### **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. The requested exceptions to flare casinghead gas from the subject wells meet the requirements of Statewide Rule 32. 16 Tex. Admin. Code § 3.32(h)

**RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the Examiners recommend exceptions to Statewide Rule 32 for the subject well be granted as requested by EOG.

Respectfully submitted,



Paul Dubois  
Technical Examiner



Terry Johnson  
Hearings Examiner