



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0295779

THE APPLICATION OF PATRIOT RESOURCES, INC. FOR AN EXCEPTION TO 16 TAC §3.32 FOR VARIOUS TANK BATTERIES, WOLFBONE (TREND AREA) FIELD, REEVES COUNTY, TEXAS

HEARD BY: Brian Fancher, P.G. – Technical Examiner
Laura Miles-Valdez – Legal Examiner

HEARING DATE: April 2, 2015
RECORD CLOSED: April 2, 2015
SUBMISSION DATE: August 12, 2015
CONFERENCE DATE: August 25, 2015

APPEARANCES:

REPRESENTING:

APPLICANT:

Ana Maria Marsland Griffith
Catherine Niblu
Zachary Roybal

Patriot Resources, Inc.

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Pursuant to 16 Tex. Admin. Code §3.32, Patriot Resources, Inc. ("Patriot") seeks authority to continue flaring casing-head gas at fourteen tank batteries, as follows:

<u>Tank Battery Name</u>	<u>Volume and Time Requested</u>
1. Baboon 5 (Lease ID. 44287)	220 MCFGD for one year, effective 3/14/15
2. Bonobo 29 (45432)	150 MCFGD for one year, effective 3/14/15
3. Cheetah 11 (42924)	200 MCFGD for one year, effective 3/14/15
4. Bongo 13 (781145)	500 MCFGD for one year, effective 3/14/15
5. Bushbuck 12 (41744)	90 MCFGD for one year, effective 3/22/15
6. Caribou 10 (781568)	1000 MCFGD for one year, effective 5/20/15
7. Elephant 3 (45363)	1000 MCFGD for one year, effective 3/14/15
8. Giraffe 18 (44402)	1000 MCFGD for one year, effective 3/29/15
9. Hyena 15 (781565)	400 MCFGD for one year, effective 4/11/15

10. Lemur Unit 24 (777660)	500 MCFGD for one year, effective 3/22/15
11. Leopard 5 (42588)	200 MCFGD for one year, effective 3/14/15
12. Mamba Unit 17 (782716)	500 MCFGD for one year, effective 4/30/15
13. Meerkat 17 (779533)	1100 MCFGD for one year, effective 3/14/15
14. Tiger Unit (786554)	1000 MCFGD for one year, effective 5/7/15

The application is unprotested and the Examiners recommend that it be approved, as requested by Patriot.

DISCUSSION OF THE EVIDENCE

Applicable Rules

In general, 16 Tex. Admin. Code §3.32 ("SWR 32") governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission. Titled "Exceptions," SWR 32(h) states:

Requests for exceptions for more than 180-days and for volumes greater than 50 mcf of hydrocarbon gas per day shall be granted only in a final order signed by the commission.

Representatives on behalf of Patriot stated that offset operators adjacent to the leases holding the fourteen tank batteries were provided notice and an opportunity to participate in the hearing.

General Argument

Patriot requests authority to flare between 90 and 1,100 MCFGD of casinghead gas for one year at the previously named tank batteries. Each named tank battery handles production from between one to six wells, and thus, the reason for the various flare volumes requested by Patriot.

Prior to the April 2nd hearing, Patriot was granted administrative flare authority for each named tank battery. The administrative flare authority expires on the day that immediately precedes the requested effective date previously mentioned. Patriot submitted flare volumes recorded from each battery between June 2014 and March 2015 to support its requested volumes in the immediate case.

Patriot argues that Regency is the only sales pipeline market available in the area surrounding the fourteen named tank batteries. Patriot contends that Regency's existing pipeline infrastructure is inadequate to handle Patriot's volume of casinghead gas at each named tank battery; however, Regency is in the process of improving its pipeline infrastructure to add additional capacity. Therefore, Patriot seeks continued authority to flare casinghead gas, as previously stated, for one year at each of the named tank batteries.

By letter dated February 20, 2015, Patriot timely requested a hearing for the subject application.

FINDINGS OF FACT

1. Patriot Resources, Inc. ("Patriot") seeks an exception to 16 Texas Admin. Code §3.32 to flare casing-head gas derived from the Wolfbone (Trend Area) Field, Reeves County, Texas, at fourteen tank batteries, in the following manner:

<u>Tank Battery Name</u>	<u>Volume and Time Requested</u>
a. Baboon 5 (Lease ID. 44287)	220 MCFGD for one year, effective 3/14/15
b. Bonobo 29 (45432)	150 MCFGD for one year, effective 3/14/15
c. Cheetah 11 (42924)	200 MCFGD for one year, effective 3/14/15
d. Bongo 13 (781145)	500 MCFGD for one year, effective 3/14/15
e. Bushbuck 12 (41744)	90 MCFGD for one year, effective 3/22/15
f. Caribou 10 (781568)	1000 MCFGD for one year, effective 5/20/15
g. Elephant 3 (45363)	1000 MCFGD for one year, effective 3/14/15
h. Giraffe 18 (44402)	1000 MCFGD for one year, effective 3/29/15
i. Hyena 15 (781565)	400 MCFGD for one year, effective 4/11/15
j. Lemur Unit 24 (777660)	500 MCFGD for one year, effective 3/22/15
k. Leopard 5 (42588)	200 MCFGD for one year, effective 3/14/15
l. Mamba Unit 17 (782716)	500 MCFGD for one year, effective 4/30/15
m. Meerkat 17 (779533)	1100 MCFGD for one year, effective 3/14/15
n. Tiger Unit (786554)	1000 MCFGD for one year, effective 5/7/15

2. Notice of Hearing for the subject application was provided to offsetting operators.
3. Prior to hearing held to consider the subject application, Patriot received administrative authority to flare casinghead gas from the fourteen tank batteries named in Finding of Fact No. 1 above.
4. Patriot's administrative authority to flare from each of the subject leases expired on the day preceeding the effective date listed in Finding of Fact No. 1.
5. Patriot submitted a hearing request to the Commission for the subject application on February 20, 2015.
6. Approval of the subject application is reasonable and appropriate, pursuant to 16 Tex. Admin. Code §3.32.

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. Legally sufficient notice has been provided to all affected persons.

3. The requested rates and time frames to flare casing-head gas, as described in Finding of Fact No. 1, satisfies the requirements of Title 16 TAC §3.32.

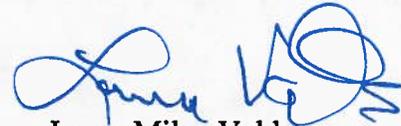
EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission grant Patriot Resources, Inc. exceptions to flare casing-head gas from the fourteen tank batteries as described in Finding of Fact No. 1 above.

Respectfully submitted,



Brian Fancher, P.G.
Technical Examiner



Laura Miles-Valdez
Legal Examiner