



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0278108

THE APPLICATION OF MURPHY EXPL. & PROD. CO-USA FOR AN EXCEPTION TO 16 TAC §3.32 FOR THE TYLER LEASE, WELL NOS. 1H, 2H, AND 3H, EAGLEVILLE (EAGLE FORD-1) FIELD, MCMULLEN COUNTY, TEXAS

OIL AND GAS DOCKET NO. 01-0278109

THE APPLICATION OF MURPHY EXPL. & PROD. CO-USA FOR AN EXCEPTION TO 16 TAC §3.32 FOR THE JAMBERS LEASE, WELL NO. 3H AND 4H, EAGLEVILLE (EAGLE FORD-1) FIELD, MCMULLEN COUNTY, TEXAS

OIL AND GAS DOCKET NO. 01-0277857

THE APPLICATION OF MURPHY EXPL. & PROD. CO-USA FOR AN EXCEPTION TO 16 TAC §3.32 FOR THE Y-BAR LEASE, WELL NO. 1H IN THE EAGLEVILLE (EAGLE FORD-1) FIELD, MCMULLEN COUNTY, TEXAS

OIL AND GAS DOCKET NO. 02-0278505

THE APPLICATION OF MURPHY EXPL. & PROD. CO-USA FOR AN EXCEPTION TO 16 TAC §3.32 FOR THE LATKA LEASE, WELL NOS. 3H AND 4H, EAGLEVILLE (EAGLE FORD-2) FIELD, KARNES COUNTY, TEXAS

HEARD BY: Brian Fancher, P.G. - Technical Examiner
Michael Crnich - Legal Examiner

DATE OF HEARINGS: November 12, 2012



APPEARANCES:**REPRESENTING:****APPLICANT:**

Kelli Kenney
 Eno Peters
 Jamee Dahl, Ph. D.
 Merlyn Spence
 Morgan David
 Kathy Hutching

Murphy Expl. & Prod. Co-USA

EXAMINERS' REPORT AND RECOMMENDATION**STATEMENT OF THE CASE**

Murphy Expl. & Prod. Co-USA ("Murphy") requests exceptions to 16 TAC §3.32 to flare casing-head gas from the following wells:

<u>LEASE NAME</u>	<u>WELL NO.</u>	<u>FIELD NAME</u>
Tyler	1H, 2H, & 3H	Eagleville (Eagle Ford-1)
Jambers	3H & 4H	Eagleville (Eagle Ford-1)
Y-Bar	1H	Eagleville (Eagle Ford-1)
Latka	3H & 4H	Eagleville (Eagle Ford-2)

Notice was provided to offset operators surrounding the above referenced leases. These applications were uncontested and the examiners recommend approval of the applications, as requested by Murphy.

DISCUSSION OF THE EVIDENCE

Title 16, §3.32 of the Texas Administrative Code governs the utilization for legal purposes of gas produced under the jurisdiction of the Railroad Commission. In the context of the subject application, Murphy is requesting to flare casing-head gas produced from the above listed wells, as provided by 16 TAC §3.32(h).

16 TAC §3.32(h) provides that an exception to flare natural gas in volumes greater than fifty thousand cubic feet of gas per day ("MCFGPD") per well may be granted administratively for a period up to 180 days. Furthermore, 16 TAC §3.32(h)(4) provides that exceptions beyond the 180 days shall be granted only in a final order signed by the Commission.

Murphy submitted a copy of Final Order 01-0274610, which granted the Tyler 1H authority to flare 400 MCFGPD from May 15, 2012 through September 30, 2012.

The Tyler 2H received administrative authority (Permit No. 11162) to flare 450 MCFGPD from March 24, 2012 through September 23, 2012.

The Tyler 3H received administrative authority (Permit No. 11163) to flare 650 MCFGPD from March 23, 2012 through September 22, 2012. Murphy testified the subject application was filed to request additional time to flare casing-head gas from the Tyler 1H, 2H, and 3H while the gas gathering and gas facility for the Tyler Lease was being constructed.

Murphy requests to flare volumes of 400, 450, and 650 MCFGPD for its Tyler Lease, Well Nos. 1H, 2H, and 3H, respectively. Murphy testified the gas gathering pipeline for the Tyler lease was completed on November 01, 2012. Murphy requests to flare the respective volumes from each well from September 23, 2012 through November 01, 2012.

The Jambers Lease, Well Nos. 3H & 4H received administrative authority to flare 300 MCFGPD from each well, effective March 30, 2012 and expiring September 28, 2012.

Murphy testified it does not seek to increase the volume flared from the Jambers lease, Well Nos. 3H & 4H, as received administratively. Murphy testified the surface facility used for collecting and separating hydrocarbons on the Jambers lease was completed on October 29, 2012. Murphy requests authority to flare 300 MCFGPD from the Jambers 3H and 4H from September 28, 2012 through October 29, 2012.

Murphy submitted a copy of Final Order 01-0275494, which granted the Y-Bar 1H authority to flare 170 MCFGPD from May 15, 2012 through August 31, 2012. Murphy testified the subject application was filed to request additional time to flare casing-head gas from the Y-Bar 1H while the surface facility and gas gathering pipeline for the Y-Bar Lease was being constructed. Murphy testified the surface facility and gathering pipelines for the Y-Bar Lease were completed on October 05, 2012. Therefore, Murphy requests to flare 170 MCFGPD from the Y-Bar 1H from August 31, 2012 through October 05, 2012.

The Latka Lease, Well Nos. 3H & 4H received administrative authority to flare 400 and 300 MCFGPD, effective April 23, 2012 through October 23, 2012 and March 29, 2012 through September 28, 2012, respectively.

Murphy testified it seeks to flare 400 MCFGPD per well from the Latka Lease, Well Nos. 3H and 4H. Murphy testified the surface facility used for collecting and separating hydrocarbons on the Latka Lease was completed on January 01, 2013. Therefore, Murphy requests authority to flare 400 MCFGPD per well from the Latka 3H and 4H from September 28, 2012 through January 01, 2013.

FINDINGS OF FACT

1. Proper notice of these hearings was given at least ten days prior to the date of hearing. There were no protests to the applications.

2. Murphy Expl. & Prod. Co-USA (“Murphy”) requests exceptions to 16 TAC §3.32 to flare casing-head gas from the Tyler Lease, Well Nos. 1H, 2H, and 3H; Jambers Lease, Well Nos. 3H and 4H; Y-Bar Lease, Well Nos. 1H; Latka Lease, Well Nos. 3H and 4H.
3. Murphy requests to flare volumes of 400, 450, and 650 thousand cubic feet of gas per day (“MCFGPD”) for its Tyler Lease, Well Nos. 1H, 2H, and 3H, respectively, from September 23, 2012 through November 01, 2012.
4. The Jambers Lease, Well Nos. 3H & 4H received administrative authority to flare 300 MCFGPD from each well, effective March 30, 2012 and expiring September 28, 2012.
5. Murphy requests authority to flare 300 MCFGPD, individually, from the Jambers 3H and 4H from September 28, 2012 through October 29, 2012.
6. Final Order 01-0275494 granted the Y-Bar 1H authority to flare 170 MCFGPD from May 15, 2012 through August 31, 2012.
7. Murphy requests to flare 170 MCFGPD from the Y-Bar 1H from August 31, 2012 through October 05, 2012.
8. The Latka Lease, Well Nos. 3H & 4H received administrative authority to flare 400 and 300 MCFGPD, effective April 23, 2012 through October 23, 2012 and March 29, 2012 through September 28, 2012, respectively.
9. Murphy requests authority to flare 400 MCFGPD per well from the Latka 3H and 4H from September 28, 2012 through January 01, 2013.
10. Exceptions to TAC 16 §3.32 for the to flare volumes of 400, 450, and 650 MCFGPD for the Tyler Lease, Well Nos. 1H, 2H, and 3H, respectively, from September 23, 2012 through November 01, 2012 is appropriate.
11. Exceptions to TAC 16 §3.32 to flare 300 MCFGPD, individually, from the Jambers 3H and 4H from September 28, 2012 through October 29, 2012 is appropriate.
12. Exceptions to TAC 16 §3.32 to flare 170 MCFGPD from the Y-Bar 1H from August 31, 2012 through October 05, 2012 is appropriate.
13. Exceptions to TAC 16 §3.32 to flare 400 MCFGPD, individually, from the Latka 3H and 4H from September 28, 2012 through January 01, 2013 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 16 TAC, §3.32 will not harm correlative rights and will promote development of the field.

RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission grant exceptions to 16 TAC §3.32 for the Tyler Lease, Well Nos. 1H, 2H, & 3H; Jambers Lease, Well Nos. 3H & 4H; Y-Bar Lease, Well No. 1H; and Latka Lease, Well Nos. 3H & 4H, as requested by Murphy Expl. & Prod. Co. - USA.

Respectfully submitted,



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Technical Examiner



Michael Crnich
Legal Examiner