



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 01-0288535**

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**THE APPLICATION OF EOG RESOURCES, INC. FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE THOMPSON A UNIT, WELL NO. 1H, EAGLEVILLE (EAGLE FORD-1) FIELD, ATASCOSA COUNTY, TEXAS**

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**HEARD BY:** Brian Fancher, P.G. - Technical Examiner  
Marshall F. Enquist - Legal Examiner

**DATE OF HEARING:** May 27, 2014

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

Doug Dashiell  
Jeff Perry

**REPRESENTING:**

EOG Resources, Inc.

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

EOG Resources, Inc. ("EOG") requests an exception to 16 Texas Administrative Code §3.32 to flare casing-head gas from its Thompson A Unit, Well No. 1H (API No. 42-013-34711) at a rate of 150 thousand cubic feet of gas per day ("MCFGD") for the time ranging from April 20 through June 30, 2014.

The application is unopposed and the examiners recommend approval, as requested by EOG.

#### DISCUSSION OF THE EVIDENCE

Title 16, §3.32 of the Texas Administrative Code ("TAC") governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission. EOG requests to flare casing-head gas produced from the subject well, as provided by 16 TAC §3.32(h).

16 TAC §3.32(h) provides that an exception to flare casing-head gas in volumes greater than fifty MCFGD may be granted administratively for a period up to 180 days. Beyond that, 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.

The Thompson A Unit, Well No. 1H (“the Well”) is completed in the Eagleville (Eagle Ford-1) Field in Atascosa County, Texas.

By letter dated April 15, 2014, EOG requested a hearing to consider an exception to extend its flaring authority from the Well.

The record evidence shows that EOG obtained approval from the Commission to flare casing-head gas beyond 50 MCFGD for a total of 180-consecutive days in the Well. Effective October 19, 2013, the Well was granted an administrative permit (Permit No. 14820) to flare casing-head gas for forty-five days at a rate of up to 400 MCFGD. Beyond that, EOG received authorization to flare up to 350 MCFGD for an additional 135 days, which expired on April 19, 2014.

EOG submitted a copy of the Well’s approved Form W-2 (“completion report”), dated October 22, 2013, which indicates the Well’s twenty-four hour initial potential was 1,612 barrels of oil per day (“BOPD”), 463 MCFGD, and 2,846 barrels of water per day (“BWPD”) on a 32/64” choke. Beyond that, the Well exhibited a gas-to-oil ratio of 287 standard cubic feet per barrel of oil. The Well produces hydrogen-sulfide (“H<sub>2</sub>S”) gas at a volumetric concentration of roughly 7,500 parts per million.

EOG submitted daily production data measured from the Well, which was recorded from early-October 2013 through mid-May 2014. The Well’s production decline is hyperbolic. Said data also indicates that the Well produced casing-head gas volumes from 500 to 91 MCFGPD. Currently, the Well is producing casing-head gas at rates ranging from 85 to 150 MCFGD.

With respect to the Well’s location, EOG testified that its nearby gas gathering system was recently approved to accept H<sub>2</sub>S-bearing gas; however, it is in the process of converting said gathering system, accordingly.

EOG testified that its necessity to flare the Well is due to the amount of time required to convert its gas gathering system to accept H<sub>2</sub>S-bearing gas. Consequently, EOG requests to flare 150 MCFGPD from the Well from April 20 through June 30, 2014, per 16 TAC §§3.32(f)(2) and 3.32(h).

**FINDINGS OF FACT**

1. EOG Resources, Inc. (“EOG”) seeks an exception beyond 180 days to flare casing-head gas in volumes exceeding fifty thousand cubic feet per day (“MCFGPD”) from the Thompson A Unit, Well No. 1H (API No. 42-013-34711) (“the Well”).
2. The Well is completed in the Eagleville (Eagle Ford-1) Field in Atascosa County, Texas.

3. EOG's 180-day administrative authority to flare casing-head gas from the Well expired on April 19, 2014.
4. EOG requested a hearing to flare the Well in volumes exceeding fifty MCFGPD beyond the 180-day administrative approval on April 15, 2014.
5. EOG seeks to flare casing-head gas from the Thompson A Unit, Well No. 1H at a rate of 150 thousand cubic feet of gas per day ("MCFGD") from April 20, 2014 through June 30, 2014.

**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. The requested authority to flare 150 thousand cubic feet per day of casing-head gas from the Thompson A Unit, Well No. 1H (API No. 42-013-34711) satisfies the requirements of Title 16, Texas Administrative Code §§3.32(f)(2)(D) and 3.32(f)(h)(4).

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission grant an exception flare casing-head gas from the Thompson A Unit, Well No. 1H (API No. 42-013-34711) at a rate of 150 thousand cubic feet of gas per day ("MCFGD") from April 20, 2014 through June 30, 2014.

Respectfully submitted,



Brian Fancher, P.G.  
Technical Examiner



Marshall F. Enquist  
Legal Examiner