



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0297433

THE APPLICATION OF COMSTOCK OIL & GAS, LP FOR AN EXCEPTION TO STATEWIDE RULE 32 TO INCREASE VOLUME LIMITATION IN THE EXISTING EMERGENCY FLARING EXCEPTIONS FOR THE CARLSON/DONNELL TANK BATTERY AND CORTEZ TANK BATTERY FLARE POINTS, EAGLEVILLE (EAGLE FORD-1) FIELD LA SALLE AND MCMULLEN COUNTIES, TEXAS

HEARD BY: Paul Dubois – Technical Examiner
Randall Collins – Administrative Law Judge

HEARING DATE: August 28, 2015

CONFERENCE DATE: September 15, 2015

APPEARANCES:

Dale Miller

REPRESENTING:

Comstock Oil & Gas, LP

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

On October 14, 2014, the Commission issued a Final Order in Oil & Gas Docket No. 01-0288781 to Comstock Oil & Gas, LP ("Comstock") granting two-year authority to flare gas from seventeen flare points in the Eagleville (Eagle Ford-1) Field in La Salle and McMullen Counties, Texas. Comstock's Carlson/Donnell and Cortez Leases were included in that order. Gas produced through these facilities is sold, although emergency flaring needs arise from time to time. Comstock has since discovered that the emergency daily flare volumes authorized for the Carlson/Donnell and Cortez Leases were not sufficient to cover the potential emergency need to flare gas from wells on these leases due to both an accounting error and the addition of new wells to the facilities. Therefore, Comstock seeks a new order to increase the authorized emergency flare volumes from these two facilities. For the Carlson/Donnell Tank Battery, Comstock requests the authorized flare volume be increased from 290 thousand cubic feet ("mcf") per day to 760 mcf per day. For the Cortez Tank Battery, Comstock requests the authorized flare volume be increased from 650 mcf

per day to 3,000 mcf per day. The application was not protested. The Examiners recommend Comstock's application be granted.

DISCUSSION OF EVIDENCE

Comstock has discovered that the Final Order granted on October 14, 2014, in Oil & Gas Docket No. 01-0288781 did not adequately cover the potential volume of flared gas from the two subject flare points. This oversight arose from Comstock's failure to adequately project the need to flare gas from the Carlson/Donnell facility, which serves 8 wells, and Comstock did not anticipate the need to address new production through its Cortez facility, which now serves 20 wells. The Carlson/Donnell facility is currently authorized to flare up to 290 mcf gas per day (Permit No. 16653). The Cortez is currently authorized to flare up to 650 mcf gas per day (Permit No. 16525). On July 14, 2015, Comstock requested a hearing to address this issue.

All of the wells served by these facilities are connected to gas sales lines. However, from time to time capacity limitations of the system requires Comstock to flare gas or shut in the wells. Authority to flare gas allows Comstock to continue to produce oil from the wells. The need to flare gas is on an emergency basis only. A review of the volume of gas flared from the two facilities as reported to the Commission indicates that Comstock has not exceeded the daily flaring limitation when analyzed on a monthly basis. The Examiners find no compliance concerns with the existing authority.

Therefore, Comstock requests that for the Carlson/Donnell Tank Battery, the authorized flare volume be increased from 290 thousand cubic feet ("mcf") per day to 760 mcf per day. For the Cortez Tank Battery, Comstock requests the authorized flare volume be increased from 650 mcf per day to 3,000 mcf per day. Comstock requests that the time period for this increased authorization remain within the effective dates granted in the earlier order: From April 1, 2014, through April 1, 2016.

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. The wells in the subject application are completed in the Eagleville (Eagle Ford-1) Field located in La Salle and McMullen Counties, Texas.
3. The subject leases and tank batteries in this application are currently connected to a gas gathering system.
4. Comstock has current permits to flare casinghead gas from the Carlson/Donnell and Cortez Tank Batteries.

5. Due to an oversight, Comstock underestimated the need for potential flaring authority at the two facilities.
6. Comstock has not exceeded its existing authority.
7. Increasing the flaring authority for the Carlson/Donnell Tank Battery from 290 mcf per day to 760 mcf per day will meet Comstocks need for emergency flaring authority.
8. Increasing the flaring authority for the Cortez Tank Battery from 650 mcf per day to 3,000 mcf per day will meet Comstocks need for emergency flaring authority.

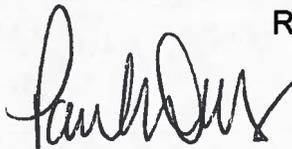
CONCLUSIONS OF LAW

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 the Commission enter an order granting the application of Comstock Oil & Gas, LP to increase volume limitation in the existing emergency flaring exceptions for the Carlson/Donnell tank battery and Cortez tank battery flare points, Eagleville (Eagle Ford-1) Field La Salle and McMullen Counties, Texas

Respectfully submitted,


Paul Dubois
Technical Examiner


Randall Collins
Administrative Law Judge