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RANDALL D. COLLINS, *DIRECTOR*

RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL & GAS DOCKET NO. 08-0311719

**APPLICATION OF COG OPERATING LLC FOR AN EXCEPTION TO STATEWIDE
RULE 32 FOR CARPENTER E. UNIT LEASE, FORD, WEST (WOLFCAMP) FIELD,
CULBERSON COUNTY, TEXAS**

OIL & GAS DOCKET NO. 08-0311721

**APPLICATION OF COG OPERATING LLC FOR AN EXCEPTION TO STATEWIDE
RULE 32 FOR MABEE 139 LEASE, SPRABERRY (TREND AREA) FIELD, MARTIN
COUNTY, TEXAS**

OIL & GAS DOCKET NO. 08-0311728

**APPLICATION OF COG OPERATING LLC FOR AN EXCEPTION TO STATEWIDE
RULE 32 FOR THE BIG CHIEF BATTERY 148, BIG CHIEF BATTERY 35, CARL H 55,
JOHN H 5, KRISTIN T 65, LARIMER STATE 6202 H, McMCOY REMME RANCH 99-
102, MONARCH STATE 3808H, AND ROUGH RIDER 4506H, HOEFS T-K
(WOLFCAMP) FIELD, REEVES COUNTY, TEXAS**

HEARD BY: Petar Buva – Technical Examiner
Clayton J. Hoover – Administrative Law Judge

HEARING DATE: August 3, 2018
CONFERENCE DATE: September 18, 2018

APPEARANCES: **REPRESENTING:**

APPLICANT: COG Operating LLC

Ana Maria Marsland
Richard Thayer

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

COG Operating, LLC requests Statewide Rule 32 exception renewals for the Mabee 139 Lease, Spraberry (Trend Area) Field, Martin County, Texas; the Big Chief Battery 148, Big Chief Battery 35, Carl H 55, John H 5, Kristin T 65, Larimer State 6202 H,

McMcoy Remme Ranch 99-102, Monarch State 3808H, and Rough Rider 4506H in the Hoefs T-K (Wolfcamp) Field Reevesm County, Texas and; Carpenter E. Unit Lease, West (Wolfcamp) Field, Culberson County, Texas. Notice of the application was provided to offset operators in the field and no protests were received. The application is unopposed, and the Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend approval of Statewide Rule 32 exception renewals for various wells as requested by COG Operating, LLC.

DISCUSSION OF THE EVIDENCE

Statewide Rule 32 governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission. Specifically, Statewide Rule 32(j) *Opportunity for hearing* states that an operator may request a hearing on any application for an exception, or exception renewal required by this section.

COG Operating, LLC previously requested an exception to Statewide Rule 32 for 13 flare points. Table 1 identifies 13 flare points, their associated docket numbers, assigned flare permit numbers, the approved flare volumes, and the assigned administrative flaring authority effective dates.

To continue the flaring authority COG Operating, LLC requested a hearing on May 16, 2018. The Hearings Division issued a Notice of Hearing to all parties on the Service List provided by the operator. A public hearing was held on August 3, 2018 for continuation of flaring authority for the 13 flare points for a period of one year.

COG Operating, LLC Rule 32 exception for tank batteries Big Chief 35, Big Chief 148, Kristin T65, Larimer 6202 H, McCoy Remme Ranch 99-102, and Monarch State 3803H is requested to allow time for H₂S treatment tower installation. Upon the installation the treated gas will be introduced to the commercial pipeline.

Batteries Carl H55, John H 95, Rough Rider 4506, Carpenter E 205, and Mabee 139 Battery (wells Mabee 1014, Mabee 1035H, and Mabee 1028H) are deemed uneconomic due to the cost of gas treatment and diminishing gas to oil ratio.

COG Operating, LLC agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order shall be final and effective on the date a Master Order relating to this Final Order is signed.

FINDINGS OF FACT

1. Notice of this hearing was given to offset operators in the subject field at least ten days prior to the date of hearing. There were no protests to the application.

2. On May 16, 2018, the Commission received a hearing request from COG Operating for an exception to Statewide Rule 32 for various wells.
3. COG Operating, LLC requested an exception to Statewide Rule 32 for a period of one year. The flaring authority effective dates for each flare point are detailed in Table 1.
4. Request for Rule 32 exception was submitted to allow for installation of H₂S treatment towers on seven flaring points, while production from the remaining 6 flaring points cannot be economically justified due to cost of treatment and diminishing gas to oil ratio.
5. COG Operating, LLC agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order shall be final and effective on the date a Master Order relating to this Final Order is signed.

CONCLUSIONS OF LAW

1. Notice was issued as required by applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Title 16, Texas Administrative Code Section 3.32(h)(4) provides for an exception for more than 180 days and for volumes greater than 50 Mcf per day.
4. Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and the consent of the applicant, the Final Order can be final and effective when a Master Order relating to this Final Order is signed.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission grant an exception to Statewide Rule 32 for 13 flare points, volumes and effective dates of which are listed in Table 1, as requested by COG Operating, LLC.

Respectfully submitted,



Petar Buva
Technical Examiner



Clayton J. Hoover
Administrative Law Judge

Table 1:

Battery Name	Previous Final Order Docket No.	Flare Permit No.	Maximum Daily Flaring Volume (MCF/Day)	Requested Flaring Authority Dates	
<u>Docket No. 08-0311719</u>					
Carpenter Unit 205H	08-0299869	33657	270	4/30/2018	4/30/2019
<u>Docket No. 080311721</u>					
Mabee 1014	Unknown	32710	58	4/17/2018	4/17/2019
Mabee 1035H	Unknown	32716	212	4/30/2018	4/30/2019
Mabee 1028H	Unknown	32714	130	4/23/2018	4/23/2019
<u>Docket No. 08-0311728</u>					
Big Chief Battery 148	08-0298935	33626	585	04/30/18	04/30/19
Big Chief Battery 35	08-0298935	33631	181	04/30/18	04/30/19
Carl H 55	08-0298935	33632	65	04/30/18	04/30/19
John H 95	08-0298935	33635	205	04/30/18	04/30/19
Kristin T65	08-0298935	33636	114	04/30/18	04/30/19
Larimer State 6202H		33637	348	04/30/18	04/30/19
McCoy Remme Ranch 99-102	08-0298935	33638	223	04/30/18	04/30/19
Monarch State 3803H	08-0298111	33639	660	04/30/18	04/30/19
Rough Rider 4506H	08-0299872	33628	571	04/30/18	04/30/19