



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0289801

THE APPLICATION OF CONOCOPHILLIPS COMPANY FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE GILBREATH BATTERY, DEADWOOD (FUSSELMAN) AND JAILHOUSE (FUSSELMAN) FIELDS, HOWARD COUNTY

HEARD BY: Brian Fancher, P.G. - Technical Examiner
Cecile Hanna- Hearings Examiner

DATE OF HEARING: October 1, 2014

APPEARANCES:
APPLICANT:

Jamie Nielson
Greg Cloud

REPRESENTING:

ConocoPhillips Company

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

ConocoPhillips Company ("Conoco") requests an exception to 16 Texas Administrative Code §3.32 to flare casing-head gas from its Gilbreath Battery at a rate of 250 thousand cubic feet of gas per day ("MCFGD") for the time ranging from July 16 through August 1, 2014.

On July 18, 2014, the Commission received a protest of the subject application from King Energy Resources. On July 23, 2014, Conoco's motion for continuance was granted. By letter correspondence dated August 10, 2014, King Energy Resources withdrew its protest. The application is unopposed and the examiners recommend approval, as requested by Conoco.

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. Conoco requests to flare casing-head gas encountered at its Gilbreath Battery, 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. Furthermore, flaring exceptions beyond the 180 days shall be granted only in a final order signed by the Commission. Statewide Rule 32 contains no notice of application requirements. In an abundance of caution, Conoco provided notice of the subject application to all operators in the subject fields.

The Oil and Gas Division administratively approved Conoco’s application to flare casing-head gas from the Gilbreath Battery in the following sequence:

	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Time Period</u>	<u>Volume</u>
1.	1/14/14	3/15/14	60 days	800 MCFG
2.	3/16/14	5/15/14	60 days	800 MCFG
3.	5/16/14	7/15/14	60 days	800 MCFG

By letter dated June 10, 2014, Conoco requested a hearing to consider its subject application. On July 30, 2014, the Gilbreath Battery was connected to a gathering pipeline located 3.2 miles from the battery. The gathering pipeline connected to the Gilbreath Battery is owned by Targa. Conoco indicated that the flaring exceptions it received were necessary due to lack of an available pipeline at the time. Conoco indicated that if the flaring authority were not granted previously, the wells that send production to the Gilbreath Battery would have been required to be shut-in.

Conoco submitted a tabulation of daily production totals measured at the Gilbreath Battery from July 15 through August 6, 2014. The tabulation indicates that the Gilbreath Battery was shut-in from July 17 through July 24, 2014. Beyond that, the Gilbreath Battery flared casing head gas for nine days at rates ranging from 2 to 215 MCFGD.

Conoco contends that flaring was needed for the subject battery from July 16 through August 1, 2014. Although the Gilbreath Battery was connected to pipeline on July 30, 2014, flaring continued as a result of maintenance operations. Conoco requests relief in the subject application to flare 250 MCFGD from July 16 through August 1, 2014.

FINDINGS OF FACT

1. ConocoPhillips Company (“Conoco”) seeks an exception beyond 180 days to flare casing-head gas in volumes exceeding fifty thousand cubic feet per day (“MCFGPD”) from the Gilbreath Battery in the Deadwood (Fusselman) and Jailhouse (Fusselman) Fields in Howard County.
2. Conoco obtained administrative authority from the Oil and Gas Division to flare up to 800 MCFGPD of casing-head gas derived from the subject fields at the Gilbreath Battery from January 14, through July 15, 2014.

3. Conoco's 180-day administrative authority to flare casing-head gas from Gilbreath Battery expired on July 15, 2014.
4. Conoco requested a hearing to consider flaring casing-head gas derived from the subject fields at the Gilbreath Battery on June 10, 2014.
5. The Gilbreath Battery was connected to a gathering line located 3.2 miles from the Gilbreath Battery on July 30, 2014.
6. Conoco requests to flare casing-head gas derived from the subject fields in volumes up to 250 MCFGPD from July 16, 2014 through August 1, 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 up to 250 thousand cubic feet per day of casing-head gas derived from the Deadwood (Fusselman) and Jailhouse (Fusselman) Fields at the Gilbreath Battery satisfies the requirements of Title 16, Texas Administrative Code §3.32.

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 Gilbreath Battery at a rate of up to 250 thousand cubic feet of gas per day (MCFGPD) from July 16, 2014 through August 1, 2014.

Respectfully submitted,



Brian Fancher, P.G.
Technical Examiner



Cecile Hanna
Legal Examiner