



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL & GAS DOCKET NO. 08-0304363

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THE APPLICATION OF FORGE ENERGY, LLC FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE UL 20 BEAR TOOTH CPF, PHANTOM (WOLFCAMP) FIELD, WINKLER COUNTY, TEXAS

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

HEARING DATE: May 2, 2017

CONFERENCE DATE: May 23, 2017

APPEARANCES:

Rick Johnston, P.E.

REPRESENTING:

Forge Energy, LLC

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Pursuant to Statewide Rule 32 (16 Tex. Admin. Code §3.32), Forge Energy, LLC ("Forge") seeks an exception to flare gas from its UL 20 Bear Tooth Central Production Facility ("CPF") in the Phantom (Wolfcamp) Field, Winkler County, Texas. Forge seeks authority to flare up to 1 million cubic feet ("mmcf") of casinghead gas per day from the CPF for a period of two years. The facility is connected to a gas sales pipeline, and about 85 to 90 percent of the produce gas is routinely sold. The requested exception to flare the casinghead gas is needed for the frequent times when mechanical issues or pipeline capacity limit Forge's ability to sell the produced casinghead gas. An exception to flare the casinghead gas produced from the well would allow Forge to continue to produce oil from the well without interruption, shutting-in the well, or otherwise potentially harming production.

The application was originally filed and noticed for the "UL 21 Bighorn Lease (No. 47974), Well No. 1H." The flare point has not changed, but Forge requests that the style and subsequent permit be changed to "UL 21 Bear Tooth CPF" because a second well has recently been completed and will also feed into the same CPF and flare point. Rick Johnston, P.E., on behalf of Forge testified that altering the name or adding the

second well to the flare stream would not cause other parties to be entitled to notice of the application. The application was not protested. The Examiners recommend Forge's application be granted.

### 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 the hearing.
2. The UL 21 Bighorn Lease (No. 47974), Well No. 1H (API No. 42-495-33696) completed on May 29, 2016, in the Phantom (Wolfcamp) Field, Winkler County, Texas.
  - a. On initial potential testing the well flowed 1,390 barrels of oil, 1,387 thousand cubic feet ("mcf") casinghead gas, and 3,074 barrels of water.
  - b. Production had declined to about 776 barrels of oil and 798 mcf gas by March 2017.
3. The well is connected to a gas sales line.
  - a. Inadequate compression and pipeline capacity limitations occasionally limit Forge's ability to sell the casinghead gas, creating a need to flare gas during those times.
  - b. About 85 to 90 percent of the produced casinghead gas is sold each month.
  - c. About 10 to 15 percent of the produced casinghead gas is flared each month.
  - d. Absent authority to flare gas, Forge would be required shut-in the well or limit production of oil to eliminate the need to flare gas.
4. On June 1, 2016, the Commission granted Forge administrative authority (Permit No. 27129) to flare up to 3,000 mcf gas for a period of 60 days, until July 31, 2016.
  - a. The administrative permit was administratively extended from August 1, 2016, until September 30, 2016, at a reduced rate of 500 mcf per day.
  - b. The administrative permit was administratively extended from October 1, 2016, until November 30, 2016, at a rate of 526 mcf per day.
  - c. The administrative permit was administratively extended from December 1, 2016, until December 30, 2016, at a rate of 1,071 mcf per day.

5. There were several days during the time period covered by Flare Permit No. 27129 (from June 1, 2016 through December 30, 2016), on which Forge did not flare gas or flared at a rate less than 50 mcf casinghead gas per day.
  - a. Commission staff administratively extended the permit to account for the days on which there was no flaring or on which the flare rate was less than 50 mcf gas per day.
  - b. To account for these days without flaring, Commission staff extended administrative Flare Permit No. 27129 until March 30, 2017, for a total of 178 flaring days.
6. On March 27, 2017, Forge requested a hearing to extend the flaring authority through a Final Order from the Commission.
7. In late April 2017, Forge completed the Yellowtail Well No. 1H.
  - a. Initial potential test and completion documentation are not yet available for the Yellowtail well.
  - b. The Yellowtail well will feed casinghead gas to the Bear Tooth CPF and experience the same capacity limitations and the occasional need to flare casinghead gas.
  - c. The Yellowtail well will experience the s
8. Continued authority to flare gas will allow Forge to continue to produce oil from the UL 21 Bighorn and Yellowtail wells.
9. At the hearing, the applicant agreed on the record that a Final Order in this case is to be effective when the Master Order is signed.

#### **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. All notice requirements have been satisfied. 16 Tex. Admin. Code §§ 1.43 and 1.45.
3. The requested authority to flare casinghead gas satisfies the requirements of Title 16, Texas Administrative Code 3.32(h).

- Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and the agreement of the applicant, this Final Order is effective when a Master Order relating to this Final Order is signed on May 23, 2017.

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the Examiners recommend the Commission enter an order granting the application of Forge Energy, LLC to flare up to 1,000 mcf cubic feet of casinghead gas per day from the UL 20 Bear Tooth CPF for two years.

Respectfully submitted,



Paul Dubois  
Technical Examiner



Randall Collins  
Administrative Law Judge