



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 8A-0301739

THE APPLICATION OF RILEY EXPLORATION OPG CO., LLC, FOR AN EXCEPTION TO STATEWIDE RULE 32 TO FLARE GAS FROM THE STIFF SADDLE 641-688, 1XH-DP#815840 AND RUSTY CRANE 604-577 1XH-DP#812639, PLATANG (SAN ANDRES) FIELD, YOAKUM COUNTY, TEXAS

OIL & GAS DOCKET NO. 8A-0304042

THE APPLICATION OF RILEY EXPLORATION OPG CO., LLC, FOR AN EXCEPTION TO STATEWIDE RULE 32 TO FLARE GAS FROM THE WESTERN SKIES 600-645 LEASE, WELL NOS. 1XH AND 2XH PLATANG (SAN ANDRES) FIELD, YOAKUM COUNTY, TEXAS

HEARD BY: Richard Eyster, P.G. – Technical Examiner
Clayton J. Hoover – Administrative Law Judge

HEARING DATE: May 18, 2017

CONFERENCE DATE: August 1, 2017

APPEARANCES:

REPRESENTING:

APPLICANT:
Laura Winkler
Ty Edelen

Riley Exploration OPG CO., LLC

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Riley Exploration OPG CO., LLC, (Riley) seeks an exception to Statewide Rule 32 to flare 2,000 mcf/d casinghead gas from the The Stiff Saddle 641-688, 1XH-DP#815840 And Rusty Crane 604-577 1XH-DP#812639, and 2,000 mcf/d from the Western Skies 600-645 Lease, Well Nos. 1XH And 2XH Platang (San Andres) Field, Yoakum County Texas for a period of one year. All offset operators in the subject field were notified of the hearing. The application is not protested.

The Technical Examiner and the Administrative Law Judge (collectively the Examiners) recommend that the application be approved.

DISCUSSION OF THE EVIDENCE

16 TAC §3.32(h) provides that an exception to flare casinghead gas in volumes greater than 50 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.

Riley obtained an administrative permit, (Permit No. 27807), for the Stiff Saddle 641-688, 1XH-DP#815840 and Rusty Crane 604-577 1XH-DP#812639 which authorized Riley to flare 500 MCFD of casinghead gas for 180 days, from 09/10/2016 through 03/10/2017. Riley also obtained an administrative permit, (Permit No. 27923), for the Western Skies 600-645 Lease, Well Nos. 1XH And 2XH, which authorized Riley to flare 500 MCFD of casinghead gas for 180 days, from 09/26/2016 through 03/26/2017.

On 12/1/2016, Riley requested a hearing to obtain a flaring exception by Final Order. Riley seeks an exception to Statewide Rule 32 to flare 2,000 mcf/d casinghead gas from the Stiff Saddle 641-688, 1XH-DP#815840 and Rusty Crane 604-577 1XH-DP#812639, and 2,000 mcf/d from the Western Skies 600-645 Lease, Well Nos. 1XH And 2XH Platang (San Andres) Field, Texas for a period of one year. Riley is requesting a flaring exception from from 03/10/2017 through 03/10/2018. Riley is in negotiations with a pipeline company and expects to have the wells connected to a pipeline within one year.

Without the flaring exception Riley stated they would have to shut in production from the wells, possibly resulting in waste of hydrocarbon reserves.

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. Riley obtained an administrative permit, (Permit No. 27807), for the Stiff Saddle 641-688, 1XH-DP#815840 and Rusty Crane 604-577 1XH-DP#812639 which authorized Riley to flare 500 MCFD of casinghead gas for 180 days, from 09/10/2016 through 03/10/2017.
3. Riley obtained an administrative permit, (Permit No. 27923), for the Western Skies 600-645 Lease, Well Nos. 1XH And 2XH, which authorized Riley to flare 500 MCFD of casinghead gas for 180 days, from 09/26/2016 through 03/26/2017.
4. On December 1, 2016 Riley requested a hearing to extend its flaring authority pursuant to Statewide Rule 32.

5. Riley seeks an exception to Statewide Rule 32 to flare 2,000 mcf/d casinghead gas from the Stiff Saddle 641-688, 1XH-DP#815840 and Rusty Crane 604-577 1XH-DP#812639 for a period of one year from 3/10/2017 to 3/10/2018.
6. Riley is requesting 2,000 mcf/d from the Western Skies 600-645 Lease, Well Nos. 1XH And 2XH for a period of one year from 3/10/2017 to 3/10/2018.
7. Riley is in lease discussions with pipeline company to connect the wells.
8. An exception to Statewide Rule 32 to flare casinghead gas will allow Riley to continue to produce oil from the Stiff Saddle 641-688, 1XH-DP#815840 Well and Rusty Crane 604-577 1XH-DP#812639 Well, as well as the Western Skies 600-645 Lease, Well Nos. 1XH And 2XH.
9. Without a Final Order authorizing the flaring of casinghead gas the wells will have to be shut in, possibly causing waste.

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.
3. The requested exception to flare 2,000 mcf/d casinghead gas for the Stiff Saddle 641-688, 1XH-DP#815840 Well and Rusty Crane 604-577 1XH-DP#812639 Well, as well as the Western Skies 600-645 Lease, Well Nos. 1XH And 2XH, Platang (San Andres) Field, Yoakum County, Texas, for a period of one year from 3/10/2017 to 3/10/2018.meets the requirements of Statewide Rule 32. 16 Tex. Admin. Code § 3.32(h).

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 Riley Exploration OPG CO, LLC to flare casinghead gas at a rate of 2000 mcf/d from the Stiff Saddle 641-688, 1XH-DP#815840 Well and Rusty Crane 604-577 1XH-DP#812639 Well, as well as the Western Skies 600-645 Lease, Well Nos. 1XH And 2XH County, Texas for a period of of one year from 3/10/2017 to 3/10/2018.

Respectfully submitted,


Richard Eyster, P.G.
Technical Examiner


Clayton J. Hoover
Administrative Law Judge