



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 7C-0304399

THE APPLICATION OF EP ENERGY E&P COMPANY, LP, FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR FLARE GAS PERMIT FOR VARIOUS CENTRAL PRODUCTION FACILITIES, LIN (WOLFCAMP) AND SPRABERRY (TREND AREA) FIELDS, REAGAN COUNTY, TEXAS.

HEARD BY: Peggy Laird, P.G. – Technical Examiner
Jennifer Cook – Administrative Law Judge

HEARING DATE: May 17, 2017

CONFERENCE DATE: August 15, 2017

APPEARANCES:

REPRESENTING:

APPLICANT:

Mark W. Hanna
Matt E. Immel, P.E.

EP Energy E&P Company, LP

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

EP Energy E&P Company, LP ("EPE") seeks exceptions to Statewide Rule 32 (16 Tex. Admin. Code § 3.32) to flare casinghead gas from five central production facilities ("CPF") and associated wells in the Lin (Wolfcamp) and Spraberry (Trend Area) Fields, Reagan County, Texas. EPE requests flaring authority ranging from 100 MCF of gas per day ("MCFD") to 2,000 MCFD for a period of two years. All offset operators in the subject field were notified of the hearing. There were no objections filed, and no protestants appeared at the hearing. The Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend approval of the exceptions to Statewide 32.

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(h) provides that an exception to flare natural gas in volumes greater than 50 MCF per day may be granted administratively for a period up to 180 days. Beyond that, Statewide Rule 32(h) provides that exceptions shall be granted only in a final order signed by the Commission.

On August 25, 2015, EPE was granted authority by Final Order 7C-0296552 to flare up to 500 MCFD of casinghead gas from each of the following CPF; University Central 0801, University Central 0812AH, University Central 0812BH, and University Central 0824, from May 23, 2015 through May 22, 2017. On August 25, 2015, EPE was granted authority by Final Order 7C-0296092 to flare up to 500 MCFD of casinghead gas from the University Central 0812 CPF from April 15, 2015 through April 14, 2017. EPE's request for a hearing to renew the flaring authorities was received on March 30, 2017. EPE seeks exceptions to continue authority to flare from the CPF and associated wells as shown in the table below.

EPE's need to flare remains similar as previously reported. EPE indicated all the facilities are connected to gas sales lines, and compression failure or operational issues with the purchaser may occur. As shown below, EPE requests flaring authority ranging from 100 MCFD to 2,000 MCFD for a period of two years based on the production history and projected development for each facility.

Central Production Facility	Permit No.	Permit Effective Date	Permit Expiration Date	Volume (MCFD)
University Central 0801	20087	May 23, 2017	May 22, 2019	200
University Central 0812	19432	April 15, 2017	April 14, 2019	200
University Central 0812AH	20081	May 22, 2017	May 21, 2019	100
University Central 0812BH	20082	May 22, 2017	May 21, 2019	100
University Central 0824	20086	May 22, 2017	May 21, 2019	2,000

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. There were no protests to the application.
2. The CPF and associated wells are in the Lin (Wolfcamp) and Spraberry (Trend Area) Fields, Reagan County, Texas.
3. Flaring authority granted by Final Orders 7C-0296552 and 7C-0296092 will be expiring.
4. The facilities are connected to gas sales lines, and compression failure or operational issues with the purchaser may occur.

5. Requested flaring is based on the production history and projected development for each facility.
6. At the hearing, the applicant agreed on the record that the Final Order in this case is to be effective when the Master Order is signed.

CONCLUSIONS OF LAW

1. All things have occurred and been accomplished to give the Commission jurisdiction in this matter. Tex. Nat. Res. Code § 81.051.
2. Proper notice of this hearing was given to all parties entitled to notice at least 10 days prior to the hearing. 16 Tex. Admin. Code § 3.32.
3. The requested exception to flare casinghead gas meets the requirements of Statewide Rule 32. 16 Tex. Admin. Code § 3.32(h).
4. Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and the agreement of the applicant, the Final Order is effective when a Master Order relating to the Final Order is signed on August 15, 2017.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission grant exceptions to Statewide Rule 32 for the five CPF as requested by EPE, and shown in the previous table.

Respectfully submitted,



Peggy Laird, P.G.
Technical Examiner



Jennifer Cook
Administrative Law Judge