



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 7C-0304411

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) FIELD, IRION AND REAGAN COUNTIES, 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 four central production facilities ("CPF") and associated wells in the Lin (Wolfcamp) Field, Irion and Reagan Counties, Texas. EPE requests flaring authority ranging from 100 MCF of gas per day ("MCFD") to 1,000 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 varying amounts of casinghead gas from the following CPF; University East 4317, University East 4318 AH, University East 4319AH, and University East 4322AH, generally from May 21, 2015 through May 22, 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 1,000 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 East 4317	20027	May 21, 2017	May 20, 2019	1,000
University East 4318AH	20085	May 22, 2017	May 21, 2019	300
University East 4319AH	20084	May 22, 2017	May 21, 2019	100
University East 4322AH	20083	May 22, 2017	May 21, 2019	500

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) Field, Irion and Reagan Counties, Texas.
3. Flaring authority granted by Final Order 7C-0296552 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 four CPF as requested by EPE, and shown in the previous table.

Respectfully submitted,



Peggy Laird, P.G.
Technical Examiner



Jennifer Cook
Administrative Law Judge