



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 01-0304397

THE APPLICATION OF EP ENERGY E&P COMPANY, LP, FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR FLARE GAS PERMIT FOR THE HIXON WEST CPF AND MALTSBERGER SOUTHEAST CPF, EAGLEVILLE (EAGLE FORD-1) FIELD, LA SALLE 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 gas from two central production facilities ("CPF") and associated wells in the Eagleville (Eagle Ford-1) Field, La Salle County, Texas. EPE requests flaring authority up to 5,000 MCF of casinghead gas per day ("MCFD") from each CPF 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 November 15, 2016, EPE was granted authority by Final Order 01-0300404 to flare up to 5,000 MCFD of casinghead gas from the Hixon West CPF from July 13, 2015 through July 13, 2017. On August 25, 2015, EPE was granted authority by Final Order 01-0296818 to flare up to 5,000 MCFD of casinghead gas from the Maltberger SE CPF from April 3, 2015 through April 2, 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 up to 5,000 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)
Hixon West	27173	July 14, 2017	July 13, 2019	5,000
Maltberger Southeast	19655	April 3, 2017	April 2, 2019	5,000

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 Eagleville (Eagle Ford-1) Field, La Salle County, Texas.
3. Flaring authority granted by Final Orders 01-0300404 and 01-0296818 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 two CPF as requested by EPE, and shown in the previous table.

Respectfully submitted,



Peggy Laird, P.G.
Technical Examiner



Jennifer Cook
Administrative Law Judge