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## RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 08-0304830**

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**THE APPLICATION OF BOPCO, L.P. FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS FLARE POINTS IN THE WALTON AREA, IN THE KEYSTONE (COLBY), KEYSTONE (SILURIAN), KEYSTONE (ELLENBERGER), KEYSTONE (SAN ANDRES), AND KEYSTONE, SW (SAN ANDRES) FIELDS, WINKLER COUNTY, TEXAS**

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**OIL AND GAS DOCKET NO. 08-0304898**

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**THE APPLICATION OF BOPCO, L.P. FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS FLARE POINTS IN THE JENKINS AREA IN THE KEYSTONE (COLBY), KEYSTONE (SILURIAN), AND KEYSTONE (YATES) FIELDS, WINKLER COUNTY, TEXAS**

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**OIL AND GAS DOCKET NO. 08-0304899**

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**THE APPLICATION OF BOPCO, L.P. FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR VARIOUS FLARE POINTS IN THE BASHARA AREA, IN THE KEYSTONE (COLBY), KEYSTONE (SILURIAN), KEYSTONE (ELLENBERGER), KEYSTONE (WADDELL), AND KEYSTONE, SW (SAN ANDRES) FIELDS, WINKLER COUNTY, TEXAS**

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**HEARD BY:**

Karl Caldwell – Technical Examiner  
Jennifer Cook– Administrative Law Judge

**HEARING DATE:**

June 21, 2017

**RECORD CLOSED:**

August 24, 2017

**CONFERENCE DATE:**

September 19, 2017

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

BOPCO, L.P.

David Gross  
Dale Miller  
Patty Urias  
Sherry Pack

## **EXAMINERS' REPORT AND RECOMMENDATION**

### **STATEMENT OF THE CASE**

BOPCO, L.P. (BOPCO) requests an exception to Statewide Rule 32 for the following flare points:

- 1) a total of 11 flare points in the Walton Area, in the Keystone (Colby), Keystone (Silurian), Keystone (Ellenberger), Keystone (San Andres), and Keystone, SW (San Andres) Fields, in Winkler County;
- 2) a total of 7 flare points, with production from a total of 36 wells in the Jenkins Area in the Keystone (Colby), Keystone (Silurian), and Keystone (Yates) Fields, in Winkler County; and
- 3) a total of 9 flare points, with production from a total of 39 wells in the Bashara Area, in the Keystone (Colby), Keystone (Silurian), Keystone (Ellenberger), Keystone (Waddell), and Keystone, SW (San Andres) Fields, in Winkler County.

For each application, notice was provided to all offset operators. For each application, BOPCO is requesting an exception to Statewide Rule 32 for a period of two years. The applications are unopposed and the Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend approval of a two-year exception to Statewide Rule 32 for the subject applications as requested by BOPCO.

### **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(j) Opportunity for hearing states that an operator may request a hearing on any application for an exception, or exception renewal required by this section. The Commission received a hearing request for an exception to Statewide Rule 32 for each of the subject applications on May 4, 2017.

At the hearing on June 21, 2017 BOPCO requested to add 3 flare points for a total of 11 flare points to the application for an exception to Statewide Rule 32 for flare points in the Walton Area, in the Keystone (Colby), Keystone (Silurian), Keystone (Ellenberger), Keystone (San Andres), and Keystone, SW (San Andres) Fields, Winkler County (Oil and Gas Docket No. 08-0304830). BOPCO also requested to add 2 flare points, for a total of 9 flare points in the Bashara Area, in the Keystone (Colby), Keystone (Silurian), Keystone (Ellenberger), Keystone (Waddell), and Keystone, SW (San Andres) Fields, Winkler County (Oil and Gas Docket No. 08-0304899). A notice of amendment to each

of the applications to add flare points and opportunity to object was provided to all offset operators on June 26, 2017. No objections were received.

***Oil and Gas Docket No. 08-0304830: Walton Area***

BOPCO requests an exception to Statewide Rule 32 for a total of 11 flare points in the Walton area in the Keystone (Colby), Keystone (Silurian), Keystone (Ellenberger), Keystone (San Andres), and Keystone, SW (San Andres) Fields in Winkler County. All wells are connected to a pipeline. Energy Transfer Company is the gatherer and purchaser of the gas for all leases with one exception, where Transwestern Pipeline Co., LLC is the purchaser. The request for flaring authority is for emergency flaring situations only, which may arise due to system upsets, plant shut-downs, and pipeline capacity issues. BOPCO is requesting a two-year exception (May 31, 2017 to May 30, 2019) for each of the flare points listed in Table 1.

***Oil and Gas Docket No. 08-0304898: Jenkins Area***

BOPCO requests an exception to Statewide Rule 32 for a total of 7 flare points, with production from a total of 36 wells in the Jenkins Area in the Keystone (Colby), Keystone (Silurian), and Keystone (Yates) Fields in Winkler County. All wells are connected to a pipeline. Energy Transfer Company is the gatherer and purchaser of the gas for all leases. The request for flaring authority is for emergency flaring situations that may arise as a result of system upsets, plant shut-downs, and pipeline capacity issues. BOPCO is requesting a two-year exception (May 31, 2017 to May 30, 2019) for each of the flare points:

- 1) Ben Jenkins ETAL A (ID Nos. 25588, 21299, and 202871) to flare a maximum of 100 Mcf of gas per day
- 2) BF Jenkins Sat (ID No. 03418) to flare a maximum of 120 Mcf of gas per day,

BOPCO has existing flaring authority for 5 other flare points in the Jenkins area. The 7 flare points in the Jenkins Area are listed in Table 2.

***Oil and Gas Docket No. 08-0304899: Bashara Area***

BOPCO requests an exception to Statewide Rule 32 for a total of 9 flare points, with production from a total of 39 wells in the Bashara Area, in the Keystone (Colby), Keystone (Silurian), Keystone (Ellenberger), Keystone (Waddell), and Keystone, SW (San Andres) Fields in Winkler County. Energy Transfer Company is the gatherer and purchaser of the gas for all leases, and all 39 wells on the subject leases are connected to the Energy Transfer Company pipeline. The request for flaring authority is for emergency situations that may arise as a result of system upsets, plant shut-downs, and pipeline capacity issues. BOPCO is requesting a two-year exception (May 31, 2017 to May 30, 2019) for each of the following flare points:

- 1) MJ Bashara Sat Colby (ID No. 16082) to flare a maximum of 120 Mcf of gas per day and from May 31, 2017 to May 30, 2019
- 2) MJ Bashara Sat Silurian (ID No. 03417) to flare a maximum of 120 Mcf of gas per day, from May 31, 2017 to May 30, 2019.
- 3) MJ Bashara Bty (ID Nos. 153194, 270853, 03370) to flare a maximum of 120 Mcf of gas per day, from May 31, 2017 to May 30, 2019.
- 4) MJ Bashara Section 21 (ID No. 27885) to flare a maximum of 100 Mcf of gas per day, from May 31, 2017 to May 30, 2019.
- 5) BASH Ellenburger (ID Nos. 36242, 270854, 020410) to flare a maximum of 1,200 Mcf of gas per day, from May 31, 2017 to May 30, 2019.
- 6) BASH Colby TB (ID No. 16091) to flare a maximum of 400 Mcf of gas per day, from May 31, 2017 to May 30, 2019.
- 7) MJ Bashara D TB (ID No. 17728) to flare a maximum of 500 Mcf of gas per day, from May 31, 2017 to May 30, 2019.

BOPCO has existing flaring authority for 2 other flare points in the Jenkins area. The 9 total flare points in the Jenkins Area are listed in Table 3.

For each application BOPCO agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order shall be effective on the date a Master Order relating to this Final Order is signed.

**Table 1: Walton Area Flare Points**

Flare Point No.	Flare Point Name	Identification Lease ID #	Field Name	Maximum Daily Flare Volume (Mcf)
1	JB Walton A Silurian	41047	Keystone (Silurian)	100
2	JB Walton A Ellenburger	03380 235271 271913	Keystone (Ellenburger)	400
3	JB Walton F	19871	Keystone (Colby)	60
4	JB Walton Colby	16084 03422 27284	Keystone (Colby) Keystone (Silurian) Keystone, SW. (San Andres)	60
5	Pure Walton 1E	272541 139702	Keystone (Ellenburger)	200
6	JB Walton 5E	03375 271532 272556	Keystone (Ellenburger)	1,400
7	Pure Walton 7E	03361 279343	Keystone (Ellenburger)	600
8	JB Walton Colby	15164	Keystone (San Andres)	100
9	JB Walton KCBS 1EL	00375 234144 243280 155378 234145 272543 142748 155836 142752	Keystone (Ellenburger)	6,000
10	JB Walton 2EL	153731 235268	Keystone (Ellenburger)	8,000
11	Pure Walton 6C TB	3272	Keystone (Colby)	250

**Table 2: Jenkins Area Flare Points**

Flare Point No.	Flare Point Name	Identification Lease ID #	Field Name
1	Little Jenkins	03309 03425	Keystone (Colby) Keystone (Silurian)
2	Ben Jenkins ETAL B	03293 03420	Keystone (Colby) Keystone (Silurian)
3	Ben Jenkins ETAL B	03291 03419	Keystone (Colby) Keystone (Silurian)
4	Gulf Jenkins	3308	Keystone (Colby)
5	BF Jenkins ETAL Deep	3412	Keystone (Silurian)
6	Ben Jenkins ETAL A	25588 21299 202871	Keystone (Colby) Keystone (Silurian) Keystone (Yates)
7	BF Jenkins Sat	03418	Keystone (Silurian)

**Table 3: Bashara Area Flare Points**

Flare Point No.	Flare Point Name	Identification Lease ID #	Field Name
1	MJ Bashara B	03290 19110	Keystone (Colby) Keystone (Silurian)
2	MJ Bashara 71S	3417	Keystone (Silurian)
3	MJ Bashara Sat Colby	16082	Keystone (Colby) Keystone (Silurian)
4	MJ Bashara Sat Silurian	3417	Keystone (Silurian)
5	MJ Bashara Bty	153194 270853 03370	Keystone (Ellenburger)
6	MJ Bashara Section 21	27885	Keystone, SW. (San Andres)
7	BASH Ellenburger	36342 270854 020410	Keystone (Ellenburger) Keystone (Ellenburger) Keystone (Waddel)
8	BASH Colby TB	16091	Keystone (Colby)
9	MJ Bashara D TB	17728	Keystone (Colby)

### **FINDINGS OF FACT**

1. Proper notice of the applications and opportunity for hearing was provided to all offset operators.
2. On May 4, 2017, the Commission received a hearing request for a Statewide Rule 32 exception renewal for the following:
  - a. Various flare points in the Walton Area, in the Keystone (Colby), Keystone (Silurian), Keystone (Ellenburger), Keystone (San Andres), and Keystone, SW (San Andres) Fields, in Winkler County;
  - b. Various flare points in the Jenkins Area in the Keystone (Colby), Keystone (Silurian), and Keystone (Yates) Fields, in Winkler County; and

- c. Various flare points in the Bashara Area, in the Keystone (Colby), Keystone (Silurian), Keystone (Ellenberger), Keystone (Waddell), and Keystone, SW (San Andres) Fields, in Winkler County.
3. All wells are connected to a pipeline in each application. The request for flaring authority is for emergency situations that may arise as a result of system upsets, plant shut-downs, and pipeline capacity issues.
4. Several flare points in the Walton area, Jenkins area, and Bashara area have existing flaring authority.
5. BOPCO is requesting a two-year exception (May 31, 2017 to May 30, 2019) for each flare point that does not have existing flaring authority.
6. BOPCO agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order shall be effective on the date a Master Order relating to this Final Order is signed.

#### **CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Title 16, Texas Administrative Code 3.32(h) provides for an exception to Statewide Rule 32.
4. 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 September 19, 2017.

#### **EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission grant an exception to Statewide Rule 32 for the requested flare points for a period of two years, as requested by BOPCO.

Respectfully submitted,



Karl Caldwell  
Technical Examiner



Jennifer Cook  
Administrative Law Judge