



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 7C-0307455

THE APPLICATION OF PARSLEY ENERGY OPERATIONS, LLC. FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE RINGO 9 (18970) LEASE, SPRABERRY (TREND AREA) FIELD, REAGAN COUNTY, TEXAS

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

HEARING DATE: December 21, 2017

CONFERENCE DATE: January 23, 2018

APPEARANCES:

APPLICANT:

Davin McGinnis

Parsley Energy Operations, LLC

James M. Clark, P.E

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Parsley Energy Operations, LLC. ("Parsley") requests a two year exception to Statewide Rule 32 (16 Tex. Admin. Code § 3.32) to flare casinghead gas from The Ringo 9 (18970) Lease, Spraberry (Trend Area) Field, Reagan County, Texas. All offset operators in the field were notified of the hearing. There were no objections filed, and no protestants appeared at the hearing. The Administrative Law Judge and Technical Examiner (collectively, "Examiners") recommend approval of an exception to Statewide Rule 32 to flare casinghead gas as requested by Parsley.

DISCUSSION OF THE EVIDENCE

Title 16, §3.32 of the Texas Administrative Code (“TAC”) governs this Application as it relates to the utilization of gas well gas and casinghead gas produced by oil and gas wells under the jurisdiction of the Railroad Commission. Specifically, 16 TAC §3.32(h) provides that an exception to flare casinghead gas in volumes greater than 50 MCFD may be granted administratively for a period up to 180 days. Flaring exceptions beyond the 180 days shall be granted only in a final order signed by the Commission. In the context of the subject application, Parsley obtained an administrative permit (Permit No. 28048) authorizing the flaring of 250 MCFD for a period of 180 days starting on May 5, 2016 through October 31, 2016. Parsley is now requesting a two-year extension of the exception to Statewide Rule 32 to flare a maximum of 1,500 MCFD of casinghead gas from the Ringo 9 Lease, effective January 1, 2018 through January 1, 2020.

Flaring would occur on an emergency, intermittent basis. The four wells on the lease are connected to a gas gathering system for sales, and flaring is for emergency purposes. Operational issues occur on a regular basis because of pipeline and equipment capabilities.

Parsley’s request for SWR 32 exception will allow Parsley to avoid shutting in wells. Parsley stated that shutting in the wells would likely result in operational problems and harm secondary recovery waterflood operations, resulting in waste.

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 hearing.
2. The Ringo 9 (18970) Lease is located in the Spraberry Trend Field, Reagan County, Texas.
3. Parsley has received previous exceptions to Statewide Rule 32 for the subject lease.
4. The wells on the lease are currently connected to a gas gathering system for sales
5. Operational issues occur on a regular basis due to pipeline and equipment upsets.
6. Parsley is requesting a two-year extension of the exception to Statewide Rule 32 to flare a cumulative maximum of 1,500 MCFD casinghead gas from the Ringo 9 (18970) Lease, Spraberry (Trend Area) Field, Reagan County, Texas.
7. Allowing flaring will prevent waste and protect correlative rights.

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 a cumulative volume of 1,500 MCFD casinghead gas 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 that the Commission grant an exception to Statewide Rule 32 for the subject wells, as requested by Parsley Energy Operations, LLC.

Respectfully submitted,



Richard Eyster, P. G.
Technical Examiner



Clayton J. Hoover
Administrative Law Judge