



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 06-0308937**

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**THE APPLICATION OF XTO ENERGY INC. FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE LLOYD, C.E. (14562) LEASE, MINDEN (TRAVIS PEAK CONS.) FIELD, RUSK COUNTY, TEXAS**

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**OIL AND GAS DOCKET NO. 06-0308942**

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**THE APPLICATION OF XTO ENERGY, INC. FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE LLOYD, C.E. -A- (13199) LEASE, HENDERSON (RUSK CO. PETTIT) FIELD, RUSK COUNTY, TEXAS**

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**HEARD BY:** Peggy Laird, P.G. – Technical Examiner  
Kristi M. Reeve – Administrative Law Judge

**HEARING DATE:** March 6, 2018

**CONFERENCE DATE:** April 24, 2018

**APPEARANCES:** **REPRESENTING:**

**APPLICANT:**

Rick Johnston

XTO Energy Inc.

### **EXAMINERS' REPORT AND RECOMMENDATION**

#### **STATEMENT OF THE CASE**

XTO Energy, Inc. ("XTO") requests exceptions to Statewide Rule 32 to flare casinghead gas from the Lloyd, C.E. (14562) Lease, Minden (Travis Peak Cons.) Field, Rusk County, Texas, and from the Lloyd, C.E. -A- (13199) Lease, Henderson (Rusk Co. Pettit) Field, Rusk County, Texas. Both leases were previously granted flaring authority by Final Order, and XTO needs to continue the authority, as conditions remain the same for both leases. XTO stated that the wells on both leases continue to be low volume wells, and the cost to construct pipeline facilities to bring the gas to market is uneconomical. Notice was provided to offset operators in the fields surrounding the flare

points and no protests were received. The captioned dockets were consolidated and for this hearing. The applications are unprotested and the Technical Examiner and Administrative Law Judge (collectively "Examiners") recommend granting an exception to Statewide 32 to flare casinghead gas for each of the applications.

Statewide Rule 32 governs the utilization for legal purposes of natural gas produced under the jurisdiction of the Railroad Commission. XTO seeks relief in the captioned docket pursuant to Statewide Rule 32(f)(2)(D), as follows:

*The commission or the commission's delegate may administratively grant or renew an exception to the requirements of limitations of this subsection subject to the requirements of subsection (h)... if the operator of a well or production facility presents information to show the necessity for the release...*

Statewide Rule 32(h)(4) states:

*Requests for exceptions for more than 180-days and for volumes greater than 50 mcf of hydrocarbon gas per day shall be granted only in a final order signed by the commission.*

Because XTO requests an exception for more than 180 days and to flare more than 50 mcf of casinghead gas per day, the procedure to address XTO's request for an exception is through a hearing resulting in a final order signed by the Commission.

### **FINDINGS OF FACT**

1. Proper notice of this hearing was given to all parties entitled to notice at least ten days prior to the date of hearing. There were no protests to the applications.
2. By Commission Final Order (Oil & Gas Docket No. 06-0299471, issued on April 12, 2016), XTO obtained an exception to flare gas from February 5, 2016 through February 4, 2018, from the Lloyd, C.E. (14562) Lease, Minden (Travis Peak Cons.) Field, Rusk County, Texas.
3. By Commission Final Order (Oil & Gas Docket No. 06-0299470, issued on April 12, 2016), XTO obtained an exception to flare gas from February 5, 2016 through February 4, 2018, from the Lloyd, C.E. -A- (13199) Lease, Henderson (Rusk Co. Pettit) Field, Rusk County, Texas.
4. On January 25, 2018, XTO requested a hearing to obtain continued authority to flare gas from the subject leases.
5. The wells on both leases continue to be low volume wells, and the cost to construct pipeline facilities to bring the gas to market is uneconomical.

6. XTO is requesting the following authority:
  - a. to flare up to 25 MCF of casinghead gas per day from February 5, 2018 through February 2, 2020, from the Lloyd, C.E. (14562) Lease, Minden (Travis Peak Cons.) Field, Rusk County, Texas; and
  - b. to flare up to 55 MCF of casinghead gas per day from February 5, 2018 through February 2, 2020, from the Lloyd, C.E. -A- (13199) Lease, Henderson (Rusk Co. Pettit) Field, Rusk County, Texas.
7. 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. All notice requirements have been satisfied. 16 Tex. Admin. Code § 1.42.
3. The requested authority to flare casinghead gas satisfies 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 April 24, 2018.

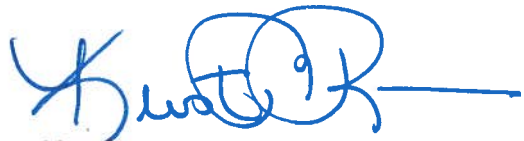
### EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission grant the exceptions to Statewide Rule 32 for the subject flare points, as requested by XTO Energy Inc.

Respectfully submitted,



Peggy Laird, P.G.  
Technical Examiner



Kristi M. Reeve  
Administrative Law Judge