



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 8A-0308620

THE APPLICATION OF APACHE CORPORATION FOR AN EXCEPTION TO STATEWIDE RULE 32 TO FLARE GAS FROM THE FULLER MASTER METER 278, SHARON RIDGE (CLEAR FORK) FIELD AND SHARON RIDGE (1700) FIELD, SCURRY COUNTY, TEXAS

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

HEARING DATE: March 5, 2018

CONFERENCE DATE: April 24, 2018

APPEARANCES:

REPRESENTING:

APPLICANT:
Buddy Richter

Apache Corporation

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Apache Corporation (Apache) seeks an exception to Statewide Rule 32 to flare casinghead gas from the Fuller Master Meter 278, (FM278), Sharon Ridge (Clear Fork) Field and the Sharon Ridge (1700) Field, Scurry County, Texas for a period of two years. All offset operators in the subject field were notified of the hearing. The application is not protested.

The Technical Examiner and the Administrative Law Judge (collectively the Examiners) recommend that the application be approved.

DISCUSSION OF THE EVIDENCE

16 TAC §3.32(h) provides that an exception to flare casinghead gas in volumes greater than 50 MCFGD may be granted administratively for a period up to 180 days. Furthermore, flaring exceptions beyond the 180 days shall be granted only in a final order signed by the Commission. Statewide Rule 32 contains no notice of application requirements.

Apache obtained an administrative permit, (Permit No. 31923), for the FM 278 which authorized Apache to flare 120 MCFD of casinghead gas for 92 days, from 06/01/2017 through 08/31/2017. On January 3, 2018, Apache requested a hearing to obtain a flaring exception by Final Order. Apache seeks an exception to Statewide Rule 32 to flare casinghead gas from the Fuller Master Meter 278, Scurry County, Texas for a period of two years at a volume of 150 mcf/d. Apache is requesting a flaring exception from April 24, 2018 through April 24, 2020. The FM 278 services 28 leases (Attachment A) with 121 total wells.

Apache stated that WTG Gas Processing (WTG) is the designated gas gather for the 28 leases and is the only gas gather in the area. WTG stated that the casinghead gas collected and metered through the FM278 does not meet the minimum gas quality limits required for safe transportation and economic processing. The gas has an H₂S content of 5% and excess oxygen. Due to safety concerns for its personnel as well as a costly corrosive rate WTG stated that they cannot continue to take gas from the FM 278.

Apache stated that since there are no other gas gathering pipelines in the area, without the flaring exception they would have to shut in production from the well, possibly resulting in waste of hydrocarbon reserves.

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.
2. Apache obtained an administrative permit, (Permit No. 31923), for the the Fuller Master Meter 278, Sharon Ridge (Clear Fork) Field and the Sharon Ridge (1700) Field, Scurry County, Texas which authorized Apache to flare 120 MCFD of casinghead gas for 92 days, from 06/01/2017 through 08/31/2017.
3. On January 3, 2018, Apache requested a hearing to obtain a flaring exception by Final Order.
4. Apache is requesting a two year flaring exception for the Fuller Master Meter 278 Sharon Ridge (Clear Fork) Field and the Sharon Ridge (1700) Field at a volume of 150 mcf/d from April 24, 2018 through April 24, 2020.
5. The casinghead gas collected and metered through the FM278 does not meet the minimum gas quality limits required for safe transportation and economic processing
6. The gas has an H₂S content of 5% and excess oxygen. Due to safety concerns for its personnel as well as a costly corrosive rate WTG stated that they cannot continue to take gas from the FM 278.

7. An exception to Statewide Rule 32 to flare casinghead gas will allow Apache to continue to produce oil from the Coyote 4601 Lease, Well No. P-1H.
8. Without the flaring exception Apache would have to shut in production from the well, possibly resulting in waste of hydrocarbon reserves.

CONCLUSIONS OF LAW

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code § 81.051.
2. All notice requirements have been satisfied.
3. The requested exception to flare 150 mcf/d of casinghead gas from the Fuller Master Meter 278 Sharon Ridge (Clear Fork) Field and the Sharon Ridge (1700) Field Scurry County, Texas for a period of two years at a volume of 150 mcf/d from April 24, 2018 through April 24, 2020 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 the Commission enter an order granting the application of Apache Corporation to flare casinghead gas at a rate of 150 mcf/d of casinghead gas from the Fuller Master Meter 278 Sharon Ridge (Clear Fork) Field and the Sharon Ridge (1700) Field Scurry County, Texas for a period of two years at a volume of 150 mcf/d from April 24, 2018 through April 24, 2020.

Respectfully submitted,



Richard Eyster, P.G.
Technical Examiner



Clayton J. Hoover
Administrative Law Judge

ATTACMENT A.

LEASE	RRC ID	FIELD	H-9 CERT.#
Byrd	67080	Sharon Ridge (Clear Fork)	056316
Byrd-Frost	09043	Sharon Ridge (Clear Fork)	056316
Byrd-Frost	68241	Sharon Ridge (1700)	056563
Byrd-Frost "A"	62738	Sharon Ridge (Clear Fork)	056316
Dozier, Maggie	05623	Sharon Ridge (Clear Fork)	056320
Fall	69119	Sharon Ridge (Clear Fork)	060849
Falls	05768	Sharon Ridge (1700)	056562
Falls, W.T.	10556	Sharon Ridge (Clear Fork)	056316
First National Bank of Snyder	67079	Sharon Ridge (Clear Fork)	056319
Holcomb, Grace	05624	Sharon Ridge (Clear Fork)	056315
Martin, T.L.	08723	Sharon Ridge (Clear Fork)	056317
McClure, D.O.	65290	Sharon Ridge (Clear Fork)	056319
McClure, R.O.	11246	Sharon Ridge (Clear Fork)	056556
McClure, R.O. "A"	65107	Sharon Ridge (Clear Fork)	056319
McClure, R.O. "B"	17292	Sharon Ridge (Clear Fork)	056319
Minor, Mattie	09213	Sharon Ridge (Clear Fork)	056316
Minor, Mattie	67257	Sharon Ridge (1700)	056563
Sims	66670	Sharon Ridge (Clear Fork)	056317
Sims "A"	14414	Sharon Ridge (Clear Fork)	056317
Sims "A"	68498	Sharon Ridge (1700)	056562
Sterling	60349	Sharon Ridge (Clear Fork)	056317
Sterling, W.H.	68141	Sharon Ridge (1700)	056317
Sterling, W.H.	14871	Sharon Ridge (Clear Fork)	056317

Sterling, W. R.	05625	Sharon Ridge (Clear Fork)	056316
Sterling, W. R.	16806	Sharon Ridge (1700)	056562
Thomas, C.N.	05632	Sharon Ridge (Clear Fork)	056320
Three States Natural Gas Co.	68138	Sharon Ridge (Clear Fork)	056561
Trevey, A.	60149	Sharon Ridge (Clear Fork)	056319
Van Norman	67961	Sharon Ridge (1700)	056563
Van Norman	05627	Sharon Ridge (Clear Fork)	056316
Wade, I.B.	66770	Sharon Ridge (Clear Fork)	056317
West Texas National Bank	05635	Sharon Ridge (Clear Fork)	056317
Woodward, A.C.	17762	Sharon Ridge (Clear Fork)	056320