

# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 7C-0308840**

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**APPLICATION OF EP ENERGY E&P COMPANY, L.P. FOR AN EXCEPTION TO STATEWIDE RULE 32 FOR THE UNIVERSITY BLOCK 12 1217 AH FACILITY, LIN (WOLFCAMP) FIELD, CROCKETT COUNTY, TEXAS**

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

**HEARING DATE:** April 5, 2018

**CONFERENCE DATE:** June 19, 2018

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Mark Hanna  
Matt Immel

EP Energy E&P Company, L.P.

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

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

EP Energy E&P Company, L.P. ("EP") seeks an exception to Statewide Rule 32 to flare casinghead gas in the Lin (Wolfcamp) Field, Crockett County, Texas, for the University Block 12 1217 AH Facility flare point. EP received administrative authority to flare a maximum of 300 thousand cubic feet per day ("MCFPD") of casinghead gas through Permit No. 25476 expiring on July 14, 2016. To extend the flaring authority, EP received authorization to continue to flare casinghead gas from July 15, 2016 to July 15, 2018 through Oil and Gas Final Order No. 7C-0300909 for the University Block 12 1217 AH Facility flare point.

EP is requesting continued authorization to flare casinghead gas from July 16, 2018 to July 16, 2020, for a 2-year period.

The application is unopposed, and the Technical Examiner and Administrative Law Judge (collectively "Examiners") recommend approval of the exception to Statewide Rule 32 for the University Block 12 1217 AH Facility.

### **DISCUSSION OF THE EVIDENCE**

Statewide Rule 32 governs the utilization for legal purposes of natural gas and casinghead gas produced under the jurisdiction of the Railroad Commission. EP seeks relief pursuant to Statewide Rule 32(h)(4), as follows:

*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.*

EP was granted an administrative exception (Permit No. 25476) to Statewide Rule 32, for a 180-day period, from January 15, 2016 through July 14, 2016, to flare a maximum of 300 MCFPD, from the University Block 12 1217 AH Facility.

After the expiration of the administrative authority, EP received authorization to continue to flare casinghead gas from July 15, 2016 to July 15, 2018 under Oil and Gas Final Order No. 7C-0300909, effective November 15, 2016 ("2016 Final Order"), for the University Block 12 1217 AH Facility flare point.

Prior to the expiration of the 2016 Final Order, EP sent a letter dated January 9, 2018, requesting a hearing to be conducted for the University Block 12 1217 AH Facility, in the Lin (Wolfcamp) Field, Crockett County, Texas. The Hearings Division issued a Notice of Hearing to the Service List on March 14, 2018. A public hearing was held on April 5, 2018 to continue flaring authority for the University Block 12 1217 AH Facility flare point. EP is seeking authority under Oil and Gas Docket No. 7C-0308840, to flare a maximum of 300 MCFPD of casinghead gas for a period of 2 years from July 16, 2018 to July 16, 2020.

Testimony at the hearing indicate the University Block 12 1217 AH Facility is connected to a sales line. The well only requires flaring during periods of routine maintenance, equipment malfunction, upset events and during sales line unavailability.

EP agreed on the record, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), the Final Order in this case shall be final and effective on the date a Master Order relating to this Final Order is signed.

The Examiners recommend the exceptions be granted.

### **FINDINGS OF FACT**

1. Proper notice of this hearing was given to offset operators at least ten days prior to the date of hearing. There were no protests to the application.
2. EP was granted an administrative exception to Statewide Rule 32, for a 180-day period, to flare a maximum of 300 MCFPD of casinghead gas under Permit No. 25476 from January 15, 2016 through July 14, 2016.
3. EP received authorization to continue to flare casinghead gas from July 15, 2016 to July 15, 2018 under Oil and Gas Final Order No. 7C-0300909, effective November 15, 2016, for the University Block 12 1217 AH Facility flare point.

4. On January 9, 2018, the Commission received a request for a hearing regarding a Statewide Rule 32 exception extension to continue flaring casinghead gas for the University Block 12 1217 AH Facility. The Hearings Division issued a Notice of Hearing to the Service List on March 14, 2018. A public hearing was held on April 5, 2018.
5. EP is requesting authority under Oil and Gas Docket No. 7C-0308840, to flare a maximum of 300 MCFPD of casinghead gas for a period of 2 years from July 16, 2018 to July 16, 2020 for the University Block 12 1217 AH Facility.
6. Testimony at the hearing indicate the University Block 12 1217 AH Facility is connected to a sales line. Flaring is only required during periods of routine maintenance, equipment malfunction, upset events and during sales lines unavailability.
7. EP agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), the Final Order in this case shall be final and effective on the date a Master Order relating to this Final Order is signed.

#### 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. 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 in this case is final and effective when a Master Order relating to the Final Order is signed.

#### EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission grant the exception to Statewide Rule 32 for the University Block 12 1217 AH Facility flare point, as requested by EP Energy E&P Company, L.P

Respectfully submitted,



Robert Musick, P.G.  
Technical Examiner



Kristi M. Reeve  
Administrative Law Judge